NPTA MANAGEMENT NEWS JANUARY 1987

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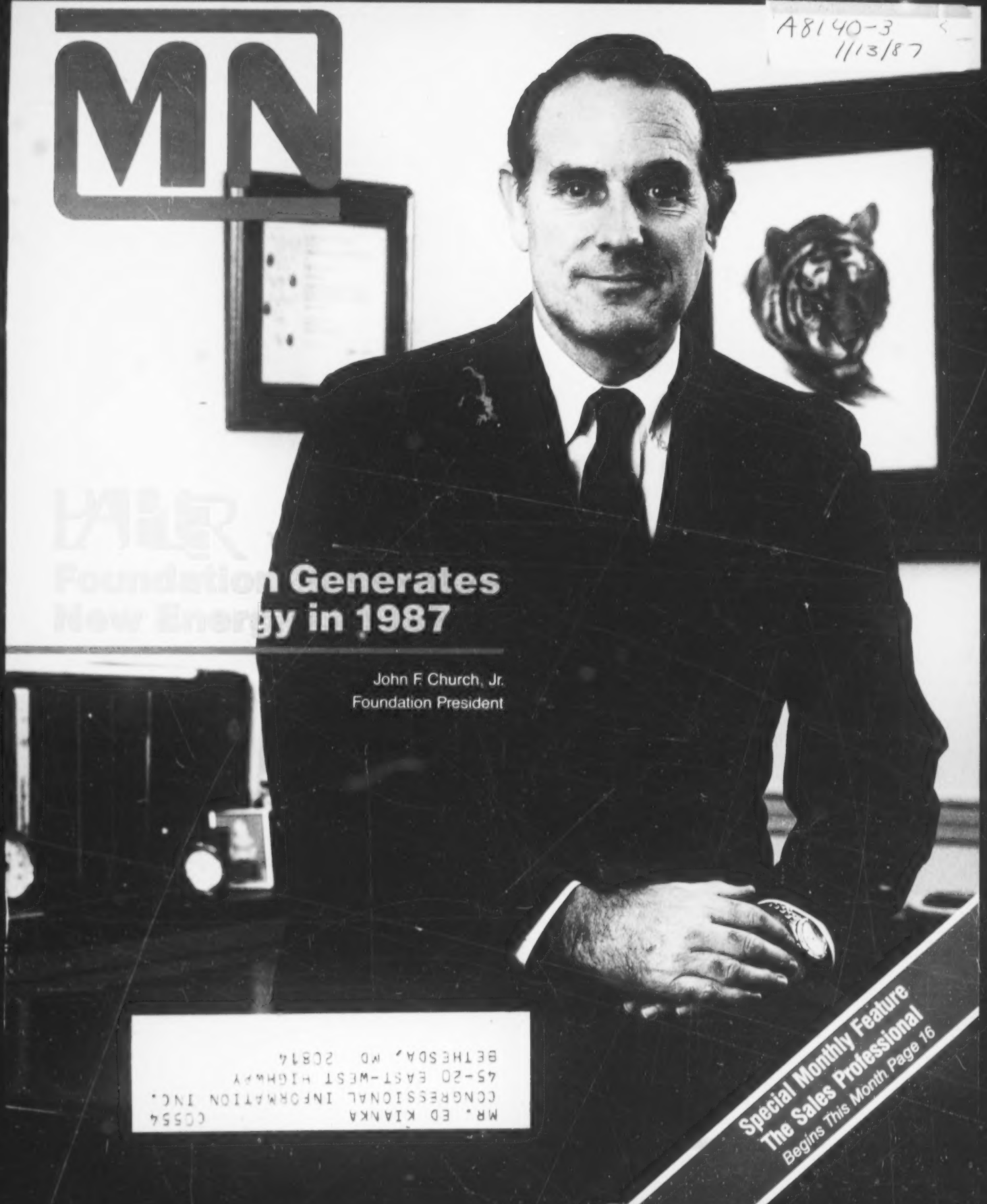

PAR Foundation Generates New Energy in 1987

John F. Church, Jr.
Foundation President

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Special Monthly Feature
The Sales Professional
Begins This Month Page 16

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MN
NPTA MANAGEMENT NEWS

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COVER PHOTO: Mike Iacono

FEEDBACK

Open Forum

The opinions, ideas, and concerns of the readers are important to the National Paper Trade Association—The Publisher of Management News. To get your thoughts in print, direct your correspondence to the editor.

MN Supports Sales People

I have always enjoyed reading NPTA's *Management News* magazine. As a sales rep for a printing paper house I have found your treatment of both news and trends to be informative and useful in my work. In order to answer my customers' questions about the paper trade knowledgeably, I must know what is going on. I continue to rely on *MN* for this.

I would appreciate, though, your inclusion of more sales-oriented material in *MN*. I'm sure there are many sales people around the country who could benefit from it. I know that they and I have much to learn from the pages of your magazine.

MN is first-rate. Keep up the good work.

Mark Mulvey, sales representative
J B Papers
New York, NY

Editor's Note: This month marks the first "Sales Professional" section of MN. *It answers many questions that sales people around the country have asked, as Mr. Mulvey alluded to in his letter. It is our hope that* MN *will continue to support sales professionals in the paper and allied products distribution industry. Reader input will assure it.*

Branching Strikes a Responsive Chord

I want to compliment you on your November issue of *MN* "Paper Distribution/Branching into the Future." It was outstanding. The article by Denis F. Healy made a significant contribution to the body of knowledge on the subject.

Ris is an organization with divisions and branches, and as such I found this issue to be particularly interesting and timely.

Also, the inclusion of the three-part series on dead stock by Gordon Graham was well worth the time I invested in reading it. His suggestions for getting rid of dead stock, and avoiding it in the first place, was valuable to all in our industry.

The cover was a beautiful example of the theme and attached me to the article. Your cover treatment is always great.

Paul Baim, operations manager
Ris Paper Company
Long Island City, NY

Retired Industry People Alive and Well in AZ

The Sun Cities Paper Group Membership is made up of persons who were associated in some way with the production, sale, conversion, and use of paper. My function is membership chairman.

There is a concensus we may not be making contact, in an effective manner, with new residents who have a background in the paper industry. These would be people who have moved to Sun City, Sun City West, Peoria, Glendale, and perhaps Phoenix, AZ.

Is it possible that you might be able to alert us as to such moves through notices of change in address from your members when they retire and relocate? We would certainly appreciate such information, if available.

Clifford S. Reppe
Sun Cities Paper Group
Sun City, AZ

Editor's Note: There is quite a thriving group of industry folks living in Arizona. For more information about how to join them, contact Mr. Reppe at 9432 Newport Dr., Sun City, AZ 85351.

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Unijax's New Emphasis: Marketing and Growth

In order to keep pace with its growth, Unijax has created five new regions, and experienced managers have been promoted to head each one. The regions and their vice presidents are: Tony Abie in Virginia, Bill Logan in the Piedmont region, Roger Brown for the Southern region (which includes part of the southeast), George Brydon for the Gulf region, and John Muthe in South Florida. Furthermore, David Sell has been appointed vice president of fine paper marketing for Unijax's expansion plans in that area. New president Hamilton Bisbee says he is very excited about the future growth of the company and its emphasis on marketing and growth.

Mead to Drop Reinsurance Line, Sets Special Charge

Mead Corp. said it plans to withdraw from the reinsurance business by selling its unprofitable Mead Reinsurance operation. As a result, it will take a $48.7 million after-tax charge in the fourth quarter. Chairman and CEO Burnell R. Roberts said, "Over the past several years, losses from insurance activity have tended to detract from improved performance in our forest products and electronic publishing businesses."

The company also said directors adopted a shareholder rights plan to deter coercive takeover tactics and to prevent an acquirer from gaining control of Mead without offering a fair price to all shareholders. More than 300 major corporations, Mr. Roberts said, including many companies in the paper and forest products industry, have adopted similar plans in recent years.

Cordage Will Build a New Packaging Plant in OH

Ground was broken in Springboro, OH, for a 28,500–square-foot manufacturing/office facility that will double the work space when it is completed next April for the Cordage Packaging Division, and double that again in the future. General manager Myron Rheaume helped prepare the layout and specifications to include locker rooms, showers and wash-up facilities for employees working in the printing area, and a cafeteria with outside windows looking onto a landscaped area. The company, presently located in Dayton, manufactures and sells plastic and paper products that include printed poly bags, hi-density deli bags, and drawstring bags.

Crane Takes Care of More Than Just Business

Dalton, MA, is a sleepy New England village that has not changed much in the past century. Crane & Co., America's oldest papermaker, has been manufacturing stock for fine stationery and U.S. currency there since 1801. Business has been good to the company, and the company has taken care of its employees.

A case in point was recently reported in a Glens Falls, NY, newspaper. In 1935, Oscar Sabin's 11-year-old son Herb was accidentally blinded. Oscar's employer, Crane, advanced him money for medical expenses. When his sightless son turned 21, the company hired him.

To Herb Sabin and others in Dalton, Crane is not viewed as a corporate giant but as a caring neighbor that has been employing town residents for seven generations.

"They gave me a chance," says Herb. He has completed 41 years with the company. A chance, after all, is all any of us want.

Scott Paper Starts START

An acronym for Scott Telemarketing Resource Team, START provides outgoing telemarketing calls for distributors to end-users and resellers. The calls are made to qualify sales leads, introduce new products, and announce special promotions.

Scott Paper Company's Away-From-Home Products Division initiated the telemarketing technique in an effort to increase new product introductions and market penetration for both Scott and its distributors, said Evan Segal, the company's product manager. Calls are first made to a distributor's existing customer list at the distributor's request and all orders are then passed through to participating Scott distributors. For additional information, call 1–800–4–SCOTT–1, or write to START, Dept. JS–42, P.O. Box 830, Devon, PA 19333.

Ludlow Specialty Papers Sold to Japanese Firm

An agreement was reached to sell the Graphics Arts plant of Ludlow Specialty Papers, Ware, MA, to Kanzaki USA Inc. Ludlow's Medical Recording and Transfer Tape products operations will continue in a newly formed division, Ludlow Technical Papers, to be located in Chicopee and West Springfield, MA, and vice president and general manager Lee A. Carrier will be headquartered in Chicopee.

Kanzaki expects to be a major employer in Ware, MA, and plans to continue marketing Ludlow Specialty Papers Graphic Arts products through the same channels and to the same customer base as now. Kanzaki is a world paper

EVENTS

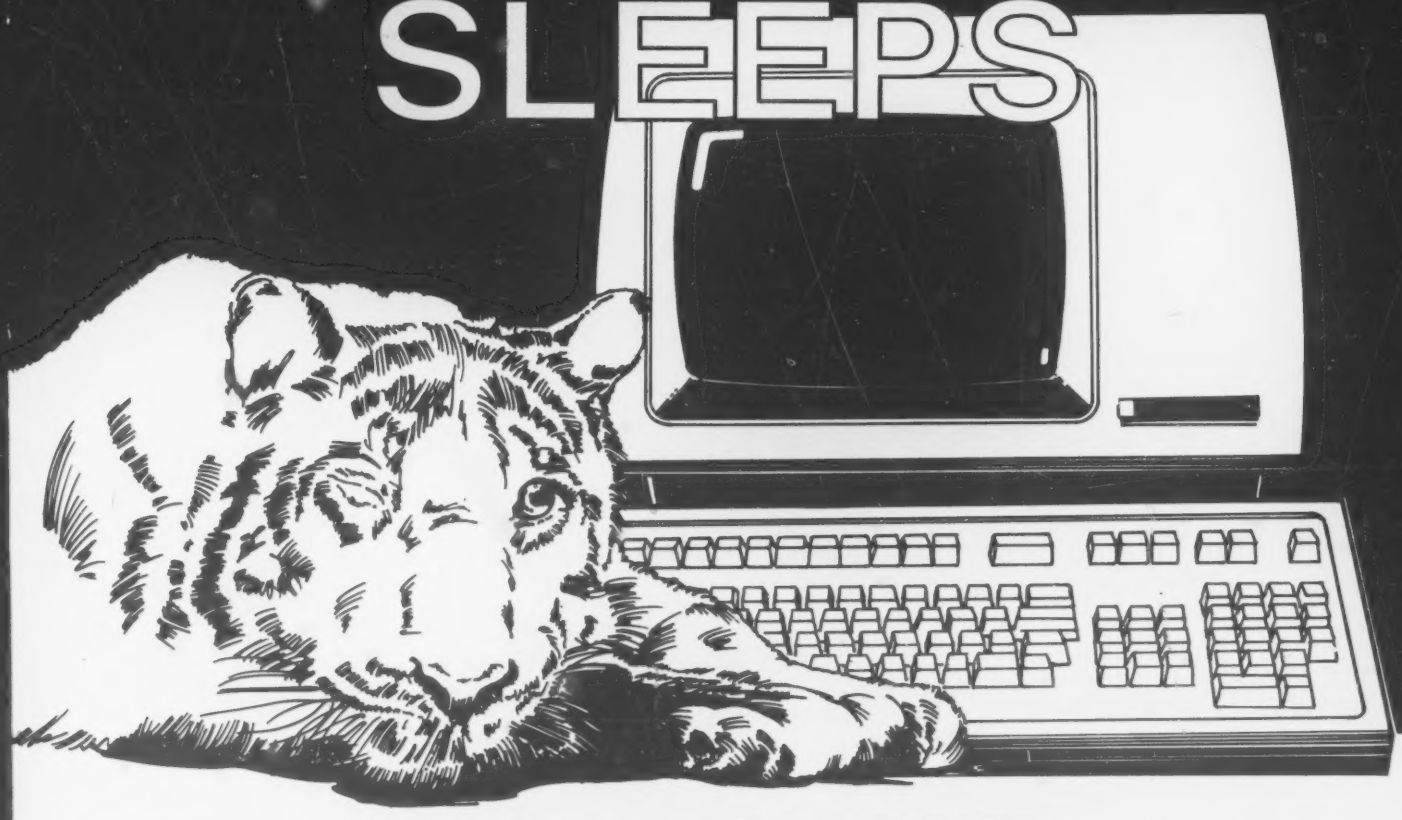
JANUARY

20–22. *Maximizing the Potential of Multi-Branch Logistics, New Orleans, LA. Contact NPTA.*

FEBRUARY

13. *Managing Customer and Product Line Profitability—A Key to Survival in the '80s, Minneapolis, MN; Innisbrook Resort, Tarpon Springs, FL. Contact NPTA.*

THE TIGER NEVER SLEEPS



CPI's PAPER TIGER

A CUSTOM SOFTWARE PACKAGE DESIGNED FOR THE PAPER MERCHANT

Paper Tiger is the result of thousands of hours of research into the specific operational requirements of the paper merchant. We first studied and addressed the unique inventory, cost, purchase, substitution and ***SALES/SERVICE*** data critical to the industry. Only then did ***CPI*** begin work on the software design we call ***Paper Tiger.***

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If you think that these are pretty tough claims, you're right. But ***CPI*** and ***Paper Tiger*** deliver on every one of them—and more.

So, why not give us a call. We'll send you, with no obligation, an information package that details how ***Paper Tiger*** can improve your business. And you'll be taking the first step towards better sales, service and profits, plus one more extra we didn't mention—peace of mind.

CPI, Inc.
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manufacturer and coater with two coating and converting complexes in Japan. It also produces specialty products, including pressure sensitive papers, carbonless, chemical/thermal and electrostatic papers.

People in the News

Duane B. Spencer has joined Whitaker Carpenter Paper Company as vice president of publication and specification papers. He will be responsible for marketing publication papers and for positioning the company in the Chicago and Detroit specification markets.

William N. Hirsch is now president of Fulton Paper Co., distributor of paper, packaging, and related items. He will be based in Atlanta and will also be responsible for branch operations at Paper Supply Co. in Albany, GA, and Panama City Paper Co. in Panama City, FL.

Sandra DeByl is now regional sales manager for the Midwest for Paper Sources International. She will provide assistance to paper merchant organizations in that region who sell and distribute PSI's lines.

Benjamin Krieger, president and CEO of Ris Paper Company, headquartered in Garden City, NY, has been appointed chairman of the Weyerhaeuser Merchant Advisory Council. He succeeds **Phil Harvey**, president of Reliable Paper Company of Wisconsin. Ris Paper Company also announced that former comptroller **Tom Basti** was promoted to treasurer of the midwest division of the company, and that **Timothy Sheehy** has joined the company as sales manager to oversee the Virginia market, while **Pamela Jewell** is now in the sales promotion department of the Richmond division.

Steve Soames now holds the position of assistant division manager of the Unisource Corporation's Seattle division.

Steve F. Ohrman has been promoted to the position of executive vice president of marketing and distribution for the West Coast Paper Company's Alaska, Oregon and Washington area. **John Reid Hickman** has also been promoted and will be executive vice president of finance and administration. Additional changes include: **Dennis L. Wheeler**, vice president of sales; **Richard L. Smith**, vice president of operations; and **Michael L. Kennedy**, manager of mail marketing. Alaska and Oregon have been added to vice president **Brett M. Mitchell's** distribution responsibilities in Washington.

Abraham Bodell, former vice president/director of purchasing at Saxon Paper—New York, passed away last November 2nd. After more than 40 years in the paper industry, Mr. Bodell retired in 1981 and moved with his wife to Phoenix.

Robert J. Keating was appointed manager of sales and marketing for industrial and packaging products of the Union Paper Company's Detroit Division. Recently, he received the 3M Masquers Associate Award on behalf of his division for excellence in 3M tape sales.

Bruce Hoffman has rejoined James River Corp. as vice president of food-service marketing, and **Brian Stevenson** was named vice president of packaging of the company's Flexible Packaging Division, a subsidiary of Crown Zellerbach.

Bill Watkins has been appointed to the newly-created position of sales/marketing coordinator for Merchants Sales Company's Delaware, Maryland, DC, and Virginia areas.

Winslow Buxton has been appointed president of Niagara of Wisconsin Paper Corporation, one of Pentair, Inc.'s nine subsidiaries producing paper, electric tools, machinery and other products here in the U.S. and abroad.

Wesley D. Mueller was promoted from assistant controller to controller and office manager of the Strathmore Paper Company in Westfield, MA. Assisting him in his new position will be **Carol Wasielewski** who was promoted to department supervisor. These changes are due, in part, to the introduction of a new IBM system/38 data management system.

John R. Depies is now product manager/specialty coated products in the marketing and sales department of Appleton Papers Inc., Appleton, WI.

Michael B. Wilson, vice president of sales and marketing at Georgia-Pacific Corp.'s Consumer and Commercial Paper Products, will expand his current role to include some responsibilities of **Alfred P. Lee**, vice president of the division. Mr. Lee retired at the end of last year after

Paper Distribution Industry
Best Sellers

Rank	Publication	Last Mo.
1	Fine Paper Catalog. *Grade Finders.* $55.	2
2	Improving Profits Through Better Marketing: The Marketing Productivity Audit. *Healy.* $35.	3
3	1987 Vacation Schedules. *NPTA.* $.42 each	—
4	Measuring Customer and Product Line Profitability. *Mullins.* $35.	7
5	Paper Merchant's Guide to Personnel Selection and Evaluation. *NPTA.* $85.	—
6	The Practical Handbook of Warehousing. *Ackerman.* $40.	4
7	Printing Paper Sales Compensation. *NPTA.* $40.	1
8	The U.S. Paper Distribution Industry: A Market Research Data Source. *NPTA.*	5
9	Paper Merchant's Guide to Profitable Management. *NPTA.* $50.	—
10	A Guide to Value-Added Purchasing. *NPTA Brochure.* 10¢ each.	6

All Publications Are Available From NPTA

25 years with the forest products company.

Raymond P. Naton was named to the new position of national sales manager of Strathmore Printing Papers of Westfield, MA.

Colleen Wheeler is the product manager of foodservice and transportation for Plastics Inc., a subsidiary of Anchor Hocking, Plastics Inc.

Thomas A. White is now president and COO of Crane & Co. He succeeds **B.J. Sullivan** who will continue as chairman and CEO.

W. Craig McClelland has been named senior vice president of International Paper. He continues as president and CEO of Hammermill.

Richard W. Bruce has been made vice president and general manager of the Mosinee Paper Corporation, a subsidiary of The Sorg Paper Co. He succeeds **W.R. Picard**.

John H. Dunkak, senior vice president of Georgia-Pacific's Western Pulp and Paper, will retire at the end of the year. Taking over his responsibilities and the position of general manager will be **James P. Thomson**, currently general manager of the company's Toledo, OR, pulp and paper mill. **Gary Gettmann** will replace Mr. Thomson as general manager at Toledo.

Fonda Acquires Some Mulco Paper Cup Assets

The paper cup manufacturing equipment, certain inventories, and customer lists of Mulco Industries, Inc., will be acquired by The Fonda Group, Inc. Mulco will continue to manufacture thermoformed cups and other products and will retain its physical plant in Mulberry, FL.

Fonda's chairman and CEO Albert C. Lasher said, "The acquisition of Mulco's paper cup business continues our long-range program of strengthening our position in both institutional and consumer markets." The company, headquartered in Union, NJ, has several plants around the country and manufactures and supplies disposable paper products for both consumer and institutional food-service use.

G-P to Study Linerboard Machine Rebuild

Engineering studies to rebuild the No. 2 linerboard machine are to begin at Georgia-Pacific's Monticello, MS, pulp and paper mill. The multi-million-dollar rebuilt machine will include additions of a top wire former and a high-density press, allowing production of linerboard with superior strength characteristics, the company reported. Rebuilding the No. 1 machine at the same mill early in 1986 increased linerboard production by 17%.

Robert A. Schumacher, president and CEO, said, "Growing international linerboard markets and strong domestic demand affirm the decision to increase

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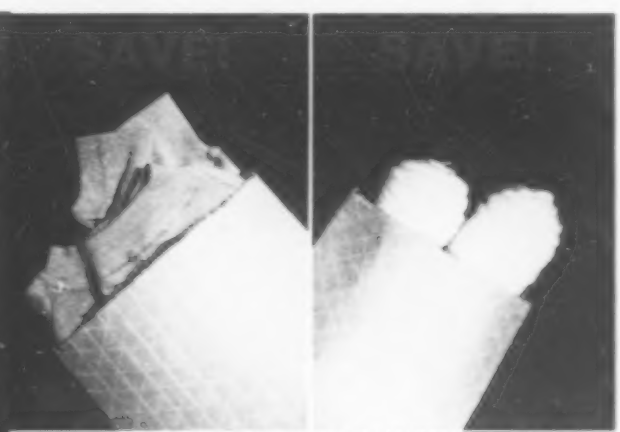

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linerboard production," and rebuilding rather than building additional capacity, is far more cost-effective.

Fargo Paper Company Renamed Cole Papers Inc.

The new year brings a new name to the 69-year-old Fargo Paper Company. Two important reasons account for the change to Cole Papers Inc. First, the company's business extends beyond Fargo, with satellite branch operations in western North Dakota and two in South Dakota, and additional branches in Minnesota, eastern Montana, and northwestern Iowa. Second, the name Cole is well known in the industry because the company was founded by Bob Cole and two brothers, Curtis and Roy. Furthermore, president Prentiss H. Cole has carried on the tradition for the past 38 years.

WWF Paper Realigns Florida Operations

Three Florida facilities have been consolidated by WWF Paper Corporation in a move to improve its Florida marketing efficiency. The current sales force will now be headquartered in the central Florida Envelope facility in Kissimmee but will also draw products from the modern warehouse in Medley (a suburb of Miami), and the Major-Diamond plant in Miami. The Miami facility markets job lot and converted papers domestically and a variety of grades off shore.

Imports a Threat to U.S. Paper Companies

American paper companies worry about the outlook for the industry because of a high level of imports and worldwide overcapacity, *The New York Times* reports. James River Corporation president Robert C. Williams said, "Foreign competition is still affecting the industry. ... When the dollar was strong, everyone wanted to get into the U.S. market. The dollar has weakened since then, but they're all still there."

On the positive side, analysts say that imports may have reached their peak last year, that paper companies have generally had strong profits in the third quarter (a reflection of cost-cutting measures and a strengthened market), labor costs for American makers have increasingly been brought under control, and exports rose 16% the first nine months of 1986. Nevertheless, reports the *Times*, global competition remains because the strong dollar brought European producers to the American market and prompted other countries to develop substantial industries.

It will take years, if ever, to recover markets won by paper manufacturers from Brazil, Chile and South Africa, with additional competition a possibility from Austria, Belgium and Nigeria. Sharp inroads have been made in two traditionally domestic strongholds: coated paper and uncoated paper. "We're seeing a tremendous increase in printing and writing paper from everywhere," says Norma Pace, senior vice president and chief economist at the American Paper Institute.

But "things could get a lot worse," one analyst cautions, "if the industry doesn't modernize and become more efficient."

News Briefs

CASTAGNE COMMUNICATIONS, INC., has relocated, after almost 20 years off Madison Avenue, to 50 East 42nd Street (at Madison Avenue), New York. It has also announced sharing creative talents with Fitzgerald Gardner Advertising in order to upgrade its level of services to its clients. Those services include, among others, preparing brochures, slide presentations, ads and publicity. The new phone number: 212-687-4789; the fax number: 212-972-4683.

WEYERHAEUSER PAPER COMPANY relocated its Paper Division last November from Plymouth Meeting. Its marketing, sales and customer service offices are now at 620 Lee Road, P.O. Box 829, Valley Forge, PA 19481; 215-251-9220.

SUS-RAP™ PACKAGING is expanding and on the move. Their new 130,000-square-foot manufacturing and office facility in "beautiful Danville, VA," will combine all manufacturing activities and offices without disrupting quality or service.

CENTURY PAPERS, INC. reports six months (ending September 30, 1986) earnings of $388,000 on sales of $62.3 million, compared to $377,000 earnings on $63.1 million sales a year ago for the same period. The second quarter earnings were $238,000 on $32 million sales, compared to $232,000 earnings on $32.2 million for the same quarter last year.

President and CEO Herschel G. Maltz attributed the 18% earnings increase to the company's managers who "did a better marketing job in a tough business environment." He also said that Century Papers continues to reduce operating costs though they are not all reflected yet on the earnings statement.

Strathmore Paper Company's new trailer logo for its truck fleet features a band of colors at the rear of the trailer, symbolizing the company as a colored paper mill.

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Printing Paper

Electronic Reproduction and the Future of the Printing Industry

"The Future of Print As We know It—1986–2006" is the title of a study completed recently by Arthur D. Little. Some 270 printers, suppliers, futurists, and marketing and technology experts focused on the study in Chicago last September and made the following predictions.

- Printing will suffer a 7% business decline, going from $250 billion to $230 billion by 2006, due to electronic technology. Newsletters, reference books and manuals will be the biggest losers, while entertainment, including newspapers and consumer magazines, will be least affected.
- The industry will move to a more concentrated position as small commercial printers and trade shops fall by the wayside.
- $35 billion could be saved by enhancing production systems with long-term planning and a better understanding of customers.
- By 2006, electronic printing will capture 26% of the market. Special-interest magazines, blank business forms, packaging and labels will prosper, and because short runs will be more economical, books will benefit. Ink-on-paper products which will decline in volume are large-circulation magazines, phone directories and financial documents.

EPA and PIA Discuss Status of Disposable Wipers

The Printing Industries of America, Inc., (PIA) Government Affairs Department and the U.S. Environmental Protection Agency (EPA) are considering the possibility of circulating a petition asking for an exemption to the regulatory obligations of printers who use recyclable rags and wipers. The exemption would cover only soiled items which fit the definition of "hazardous waste." The printing industry contends that in the vast majority of instances, EPA's definition does *not* apply to it.

Currently, there is an exemption under 40 CRF 262.20(e) for reclamation shipments from generators of 100/1000 kg a month, so that a printer who ships hazardous wastes up to that amount per month is eligible for the exemption. Other conditions of the exemption must also be met. It is important to understand that a printing company's status is determined by totalling *all* hazardous wastes it generates in a calendar month.

In lieu of a regulatory answer which could take six months to a year, PIA is exploring with Congress the idea of a permanent legislative solution.

Big Rewards for Good Ads Keeps Quality High

The cash prize for the Stephen E. Kelly award has been raised to $100,000, the Magazine Publishers Association reported. The competition is designed to honor creative excellence in magazine advertising and past winners include American Express, International Paper, and Paco Rabanne.

Judges, consisting of ad agency creative directors and corporate advertising executives, will announce semifinalists on February 2, 1987. The finalist will be announced in March.

Change of Address

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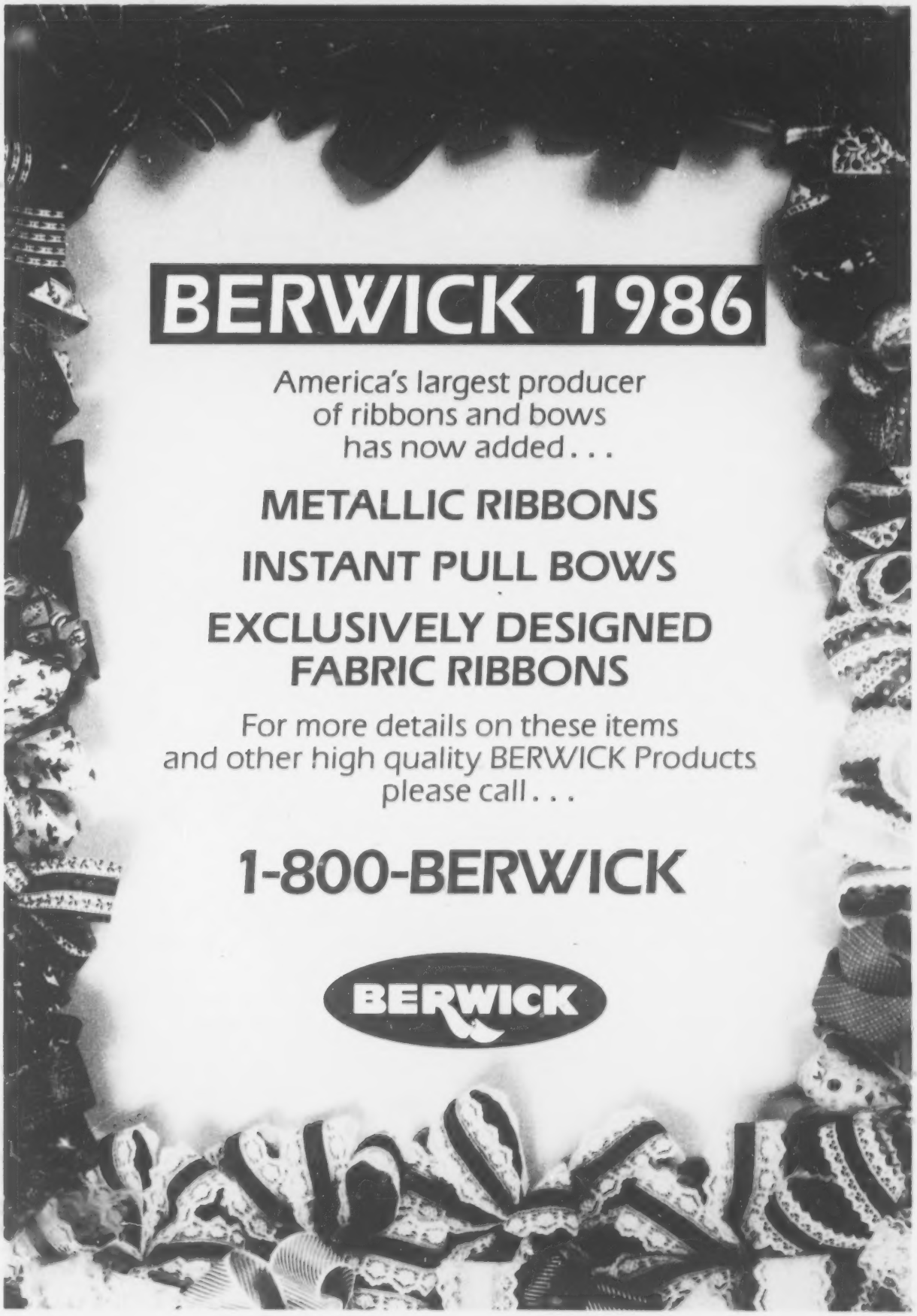
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Industrial Paper

Paper and Plastic Food Service: The Sanitary Choice

According to information gathered by the Single Service Institute, the first discovery that food utensils carried disease occurred in Kansas in July of 1907 when a physician, Dr. Samuel J. Crumbine, witnessed an incident during a train ride. The physician watched as a five-year-old girl shared a water cup with a TB sufferer. His journal reads: "The tragedy I had just witnessed—that sick man, that little girl drinking from that same cup—made a smallpox epidemic I was on my way to investigate seem trifling." Now as Health Officer of the State of Kansas, Dr. Crumbine persuaded the Board of Health to ban the use of the common drinking cup on trains, in schools and other public facilities. The disposable cup made it possible for each person to have a personal sanitary drinking utensil.

Three quarters of a century later, single service products still carry this intrinsic benefit to their users. In hospitals, the dangers of cross infection are great, and single service products are used to reduce these hazards—protection that is particularly recommended for patients in isolation. In cafeterias and schools, factories and offices, single service products make it possible to serve large numbers of people quickly and at the height of sanitary conditions.

Hazardous Waste Guidebook for Small Businesses Published

A new handbook for small businesses, *Understanding the Small Quantity Generator Hazardous Waste Rules*, is now available from the Environmental Protection Agency. Recognizing the need for explaining federal regulations in everyday terms that business executives can easily understand, EPA has published a handbook to help the reader determine if a small business is a regulated small quantity generator of hazardous waste. It then provides specific information on the steps to be taken to comply with these new federal regulations.

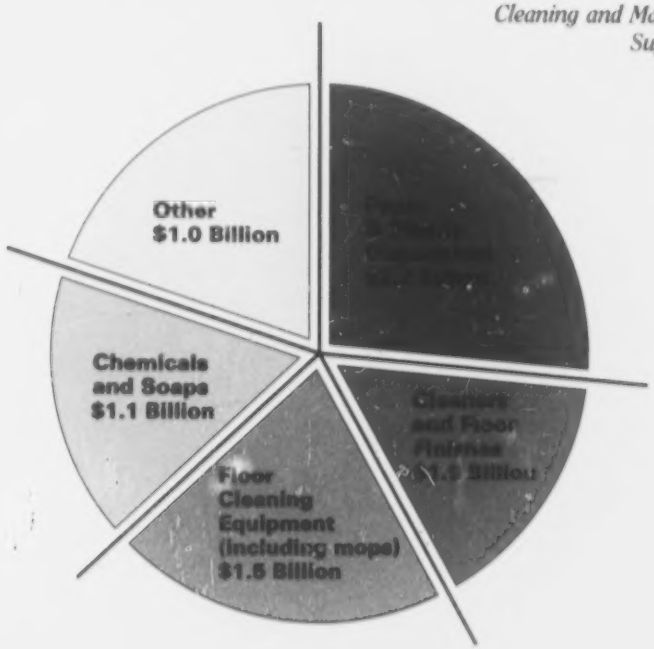
You may request a copy of this publication by calling the EPA Small Business Hotline 800–368–5888, and asking for *Understanding the Small Quantity Generator Hazardous Waste Rules*, publication (EPA/530–SW–86–019).

NPTA's Industrial Sales Compensation Book Reissued

The NPTA Industrial Division Committee announced that the 1985 Industrial Sales Compensation report, a study and review of sales compensation, will be reissued.

For further information about placing your order, contact Richard J. Lerman, NPTA director of marketing and secretary of the Industrial Papers Committee, 111 Great Neck Road, Great Neck, NY 11021; 516–829–3070. The special price for the reissue is $33 instead of its $40 original publication price.

Cleaning and Maintenance Supply Sales



$7.7 Billion in Janitorial Distributor Sales (1985)

Cleaning and Maintenance Financial Survey Results Reported. Sales = $7.6 Billion

The results of a recent survey, commissioned by *Sanitary Maintenance* magazine, show some rather interesting results regarding the sale of what is commonly known as "Janitorial Supply." For example, in the area of *paper products*, the survey reports that janitorial supply distributors accounted for $859,107,000 in towels and $691,234,000 in tissues, for a total of $1,550,341,000. In the area of *"Waste Handling Products,"* the following was reported: waste receptacles—$113,214,000, plastic bags and can liners—$386,026,000, and in maid carts—$31,055,000, for a total of $530,295,000 in sales for 1985 in this area.

The survey stated that overall, $7,664,135,000 in sales was reported by janitorial supply distributors. The current markets these distributors were selling into included: industrial, commercial, educational, governmental, medical, contract cleaners, hotels/motels, restaurants/clubs, religious and "others.".

Continued on page 29

Nominations Are Now Open For The

Stanley O. Styles Industry Excellence Award

And The Winner Is....

1986 winner Howard C Ris

The prestigious Stanley O. Styles Industry Excellence Award will be presented at the 1987 Chairman's Luncheon to be held on September 21, 1987 in Atlanta. This event will be the climax of the NPTA Annual Convention.

Those wishing to nominate an outstanding industry leader should direct their letters of recommendation to: John J. Buckley, Jr., president of NPTA, 111 Great Neck Road, Great Neck, NY 11021. Past nominations will be reconsidered. All nominations must be received at NPTA Headquarters no later than February 1, 1987.

Selection Criteria

1. The recipient of the award shall be a paper merchant, paper manufacturer or converter, consultant, or educator who has had a distinguished career in the paper distribution industry.
2. Someone who has had a positive influence on the paper distribution industry. Possibly from the introduction of new management methods, marketing concepts, or new products which have become important in the industry.
3. The award recipient will be one who is acknowledged by the paper distribution industry as a leader and a good representative of the values and traits necessary for the excellent conduct of business.
4. Someone who has been long involved in industry affairs through actions and has supported the industry's trade associations, mills, merchants and affiliated groups.
5. Someone who has been a spokesperson for the industry locally and/or nationally.
6. The recipient will be one who exhibits impeccable character and is a long time, good citizen of the paper industry.

The Sales Professional 1

A special section dedicated to those who sell or manage the sales function

Selling Laser Papers: Know Their Uses

Many major paper manufacturers are now offering a paper with an extremely hard finish for use in the new laser output devices. A laser printer, hooked into a PC with the appropriate software, can produce near-typeset quality material that is suitable for use as camera-ready copy for newsletters, forms, reports, etc. The smoothness and levelness of the paper can enhance or detract from the quality of the laser output.

For those who may not have seen a laser-produced image, look at this illustration. The sample has been blown up 430% to show the differences in laser output vs. the usual typeset-quality output.

Laser printers for office use are currently limited to 300 dots per inch. (Some better models can go up to 1,000 dots per inch.) Thus, diagonal lines become the most obvious indicators of the laser output, and the entire image always looks a bit fuzzy under the loop. Nonetheless, desktop publishing systems are cutting into traditional typesetting because of their lower production cost. Some industry experts claim that 60% of all the material that is currently being typeset can be done adequately with laser technology.

Paper merchant sales people have big opportunities to sell laser papers to many of the newly emerging groups that are getting into personal or desktop publishing. Hammermill Paper Company reports that placements of laser printing engines will grow from 162,000 installations in 1985 to 1.5 million in 1990 (a 926% increase!), and will reach nearly 4.5 million by 1995. All of those units will require special papers to give the electronic publishing output the highest possible quality.

In addition to levelness and smoothness, high brightness and opacity are required of laser papers to give the printed image the best contrast. Hammermill adds that their "Laser Plus" paper has a wax-holdout feature on the bottom side that prevents wax from bleeding through when the sheet is prepared for paste up.

Another important benefit of laser papers in general is that they are much less expensive than the resin coated (RC) papers now used in typesetting galleys. RC papers cost about 60¢ a foot, reports Hammermill, and laser papers can represent as much as a 3000% savings—a definite sales advantage!

Times Roman Bold & Italics

The customers for laser papers, reports Hammermill, abound. They list the following prospects:

In Plant Printers They are leading the way into computerized publishing, especially in the areas of technical documentation. Industries that are especially hot right now are: electronics, aviation, and finance.

Quick Printers Laser papers can be used effectively as masters for their regular jobs.

Commercial Printers For pre-press proofing and other small jobs.

Typesetting Firms Laser papers are great as proofing sheets and can be used as an economical replacement for RC paper.

Forms Manufacturers About 75% of their output, states Hammermill, can be easily composed electronically and so may be output on laser papers.

Graphic Arts Suppliers This group may begin selling laser papers to make up for falling RC paper sales.

Ad Agencies Ad people are moving into desktop publishing to reduce their own typesetting costs and to put out professional-looking materials quickly.

Publishers This may be the largest category. Especially good for proofing, for masters, rough layouts, and even final mechanicals. (*Personal Publishing* creates the entire magazine on a PC and then outputs final pages on a laser device ready to go to the printer.)

Direct Mail Laser output will speed their turnaround time. Will be used for masters and proofing.

Businesses In general, electronic publishing with laser output will grow in every business. It will be used for mastering newsletters, bulletins, memos, price lists, data sheets, proposals, presentations, training manuals, catalogs and much more. (The trick will be to find them and get paper to them in small quantities!) ■

Where Are Cut Size Sales Going?

Selling cut size paper is becoming more important to all merchants. Gone are the days when cut stock was being sold to quick print shops only.

PROBLEM: The market for cut size papers is growing, but quick printer use of these papers is not. Where is it going?

The answer, according to some industry experts, is that copiers are chewing up more paper and, in the foreseeable future, they will continue to do so without stopping. What happened to the paperless office? What everyone has discovered is that it takes a tremendous amount of paper to run a "paperless" office.

Where once a seller of cut size paper

would send 20 cartons to a quick printer, now that same sales person must track down the people who were the quick printer's customers. They are the people who want only a few cartons at a time. A definite small-order problem. Take to the telephone. Ask about those office copiers and their paper usage at existing customers who buy other products from your company. After all, by 1990, 5,000,000,000 (five billion!) pounds of copier paper per year will be produced. That is a great deal of paper in search of a home! ■

Inside Sales People Can "Make It Quick"

Cold calling can meet with a variety of responses. When the sales rep hears "Make it quick," or "I've only a minute," what should he or she do? Talk faster? Suggest to call back later?

The *Telephone Selling Report* has some good ideas to help reps handle the quick-draw customer.

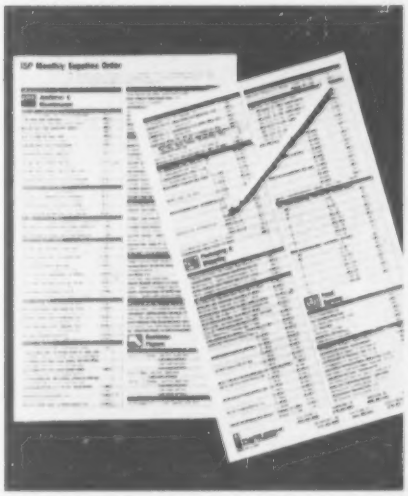
1. Many people who receive sales calls often have this knee-jerk response. This is probably because of many encounters with unprofessional sales reps. Don't let it throw you. They must be convinced that you are the right person to deal with.
2. Do not get angry. Just go with it. Say something like, "That's fine. I'll keep it short." Then go about your presentation in an orderly fashion.
3. Cramming the whole presentation into two minutes is a big mistake. It does not do anything for the rep or his customer. Present a strong case up front and heighten the customer's interest.
4. Keep your promise to be brief. Asking the customer after a couple of minutes whether or not you should continue will win respect. Also, it will help qualify that prospect.
5. If you find out after a few minutes that the customer is truly disinterested, you will have accomplished two things: realized that you have done your best and you need not call back. ■

Profile: ISP's Cost-Saving Purchasing Program

Sales professionals will be interested in this new purchasing program Inlander-Steindler Paper Company has introduced. The program was designed to save time while it also simplifies purchasing procedures. These changes may affect sales people's approach in obtaining orders.

Thomas I. Altholz, the company president, explains that requisitions from four product categories—printing/office paper and supplies, janitorial/maintenance, packaging/shipping room, and food service disposables and related products— are combined into one order. And that one order is filled by one supplier. "Customers," he says, "have reported cost savings of up to 30%."

The savings are reflected in the hours purchasing agents spend ordering from many vendors, in the number of meetings required to plan products and quantitites, in the time needed to write separate checks, ar... the bookkeeping involved. Furthermore, with ISP's package, the purchasing professional should gain greater control over the management of his time. Such operational efficiency meets the needs of top management's efforts to reduce costs.



ISP's operations are fully computerized which enables customers to make instant checks on the status of their orders, product availability, and computer printout analysis of their buying patterns on a monthly basis. Thus, customers can monitor, adjust and control their purchases according to their needs.

Founded in 1887, ISP now has seven locations in the Midwest, distributing over 3,000 stocked items, and access to 8,000 more, ranging from paper towels and industrial floor finishes through protective packaging and box sealing tapes to office copier papers. ■

Sales Briefs

SCOTT PAPER COMPANY's Away-From-Home Products Division issued a new information sheet for use by purchasing agents. It is a complete description of washroom products and features the Sani-Tuff® Industrial Hand Cleansing System. Eight different hand care products can be used in Sani-Tuff dispensers, and the system's 800 ml refill cartridges are said to be easier to refill than reservoir soap dispensers.

Also described in the sheet is the JRT® Jumbo Roll Tissue which provides the equivalent of 12 single-ply 1,000-sheet rolls on a large single roll, Lev-R-Matic® Roll Towel dispenser which controls the length of towel that it dispenses, and P.S. Personal Seats™ disposable toilet seat covers. A copy of the information sheet may be obtained by writing to Factory Washrooms, Scott Paper Company, Dept. JS-30, P.O. Box 830, Devon, PA 19333, or call 1-800-4-SCOTT-1.

KIMBERLY-CLARK CORP. now offers Kimdura, a synthetic paper for label applications that should make it easier to scan bar codes and reduce the number of "misreads." The company described it as a specially-formulated top coating that readily accepts and absorbs inks used by computer imprinting systems such as dot matrix,

impact, ink jet, and thermal transfer printing.

The product is provided with a corona treatment and is compatible with a wide variety of adhesives since it is manufactured without plasticizers. And because it is shrink resistant, it should not leave "halos" when the label is removed. It is available for sheet and roll applications in a variety of finishes. Kimdura samples and more information may be had by contacting Kimberly-Clark Corp., 1400 Holcomb Bridge Road, Roswell, GA, 30076, or call Gary Hutchison at 404–587–8890.

WHITAKER CARPENTER PAPER COMPANY has been awarded the exclusive distribution of Svecia Antiqua Rare Papers for Illinois, Wisconsin, Michigan and Tennessee. Manufactured in Scotland, the 50% rag content Svecia Antiqua is said to be unique as a laid finish text grade in that it resembles a handmade sheet. It may be adapted to many different printing processes.

SEALED AIR CORPORATION declares, "Improved customer satisfaction is the most significant benefit for companies." So saying, the company offers Instapak® Foam 'N Fill™, a new packaging system. It automatically fills a lightweight bag with Instapak chemicals which expand up to 140 times their original volume to produce a ready-to-use, semi-rigid foam packaging cushion. Placed on top of a corrugated container, the disposable foam cushion expands to fill void areas. One office supplier reported packaging an average of 1,000 cartons a day with Foam 'N Fill while reducing labor costs 50 percent. For more information, contact Sealed Air Corporation, Old Sherman Turnpike, Danbury, CT 06810; 203–792–2360.

INLANDER-STEINDLER PAPER CO. has chosen Robert H. Klaetsch for its ISP Sales Excellence Award, the highest honor achievable by commissioned sales personnel at the company. President Thomas I. Altholz awarded Mr. Klaetsch a plaque at the firm's annual President's Club meeting held on October 25th in Tucson, AZ. Noting Mr. Klaetsch's accomplishments, company vice president/sales and marketing Richard A. Mignano said, "He is customer service-oriented and resourceful in matching our products to marketplace applications."

ROTARY PAPER MANIFOLD COMPANY announced the promotion of Janet L. Sweeney to the position of sales representative. She was formerly a customer service rep. The Rotary Paper Manifold Company, a division of Bradner Central Company, supplies roll papers to forms manufacturers and printers in the Midwest. ■

What's Your Preference?

This section is dedicated to those in the paper business who sell. Your input will make this section more meaningful for all in the industry. Take a moment to tell *MN* what you would like to see in "TSP." Write or call *MN* Editor William H. Frohlich; your suggestions will make this section more meaningful for all who sell. ■

Sales: The Fastest Route to the Top

A recent survey of *Fortune* 500 CEOs found that, on average, they got there through the sales or marketing channel. 31.6% came through that route, 27% through finance, and 24.8% through engineering.

The typical CEO:

- is 58 years old
- male
- Protestant
- works 59 hours per week (up from 55.7 in 1976)
- earns $543,400 (total compensation). ■

Selling Roll Stock? Determine Roll Length For Your Customers

When selling roll stock, if the width of the roll, the basis weight of the paper and the weight of the roll are all known (or can be measured), it is easy to find out the length of that roll in feet. All users of roll stock need this information and often the sales person is called upon to provide it. Printers usually need to figure out how many printing impressions they can get out of a short roll and this formula can be very helpful.

$$\text{Length of the roll in feet} = \frac{\text{Roll weight in pounds} \times 36{,}000}{\text{Width of the roll in inches} \times \text{basis weight}}$$

Example: What is the length of a roll of stock (in feet) that has a 60 lb. basis weight, is 48 inches wide and weighs 160 pounds?

Answer:

$$\frac{160 \times 36{,}000}{48 \times 60} = \frac{5{,}760{,}000}{2{,}880} = 2{,}000 \text{ feet}$$

What's New in Selling Cover and Text Papers?

Designers are hungry for good quality papers. The high-end of the paper market has attracted much attention in the design community because the paper itself is being seen as the third dimension in the designer's work. Design, color and paper are being woven together with care and flare.

Those who sell cover and text papers, reports the American Paper Institute's Cover and Text Promotional Committee, should emphasize that these papers are "the essence of individuality." The great variety of colors and textures allows the art director to make the paper an integral part of the design process instead of an afterthought.

Selling the paper as necessary to the creative process elevates it to "creative" status from merely "image carrier." For more information on how cover and text grades work well in a variety of graphic arts processes, consult *The Cover & Text Book*, published by API's Printing and Writing Division, 260 Madison Avenue, New York, NY 10016. The cost is $6.95 plus $2.25 postage and handling. ■

When Selling Plastic Bags, Know These Equivalents

Here is a handy scale for those who sell plastic bags and can liners. It converts mill thicknesses to their approximate micron equivalents, and vice versa. (Courtesy Himolene) ■

Mill Thickness	Approx. Micron Equivalent	Mill Thickness	Approx. Micron Equivalent
.023	6	.062	16
.027	7	.066	17
.031	8	.070	18
.035	9	.074	19
.039	10	.078	20
.043	11	.082	21
.047	12	.086	22
.051	13	.090	23
.055	14	.094	24
.059	15	.098	25

What Sales Execs Want Their People to Learn

According to a Xerox Learning Systems report, the sales and marketing executives of 100 major corporations said they want their sales people to:

- plan and strategize each of their accounts
- know where they stand in the sales process with each account
- know why buying decisions are made and who makes them within each account
- understand the business problems facing each account and how their product or service can help solve the problems
- try to build an "indepth" relationship with sales contacts in each account
- know how they are perceived by each account, and
- know how to assess and overcome obstacles to the sale. ■

Customer Service—Key to Sales Excellence

The NPTA has an excellent training program which can benefit each member by improving customer relations. Recognizing the need for good customer relations, Eastern Paper in Hartford decided to take advantage of the Customer Service Telephone Skills (CSTS) seminar from Learning International (formerly Xerox Learning Systems).

The objective is for the customer service reps to gain a better understanding of customer needs so the customer is a "satisfied" customer. The CSTS seminar covers the various aspects of a phone conversation with customers including how to uncover their needs, avenues to problem solving, etc. It concentrates on several role plays, allowing each participant to act out daily situations that occur with actual customers. These role plays, along with audio and visual aids, make the CSTS extremely relevant to the participants' jobs.

Dave Schroeder, an Eastern Paper Company customer service rep, received a call from an unhappy customer the week following the CSTS. Dave decided to employ the techniques he learned at the seminar. When he got off the phone, Dave said that they worked because his customer hung up the phone as a satisfied customer. The best result of the CSTS was the realization that customer service representatives gained as to how important their positions were to the success of the company. Each representative learned strengths and weaknesses in customer relations. Follow-up material has been provided so that improvements can be made and good customer relations remain an everyday occurrence at Eastern Paper.

For more information on the Customer Satisfaction Telephone Skills (CSTS) program and how it can improve the professional skills of your customer service reps, contact Bruce Linden at NPTA, 515–829–3070. ■

Diane Peterson and David Schroeder of Eastern Paper.

PAPER Foundation Generates New Energy in 1987

In two short years, the PAPER Foundation has established itself as a major force in the paper, plastics and allied products distribution industry.

Without ceremony or fanfare, the Paper And Plastics Education Research (PAPER) Foundation was established two years ago as a non-profit organization to study the distribution of paper, plastics and allied products. Not many took notice. "Even when we first announced the creation of the Foundation," John J. Buckley, Jr., the organization's president reflects, "everyone viewed it as another NPTA program. We have had to prove to the industry that the PAPER Foundation was needed and that it would be something different, something unique in its approach to industry research."

The Foundation concept grew out of an assessment of the changing nature of the distribution of paper, plastics and allied products, and an analysis of the long-term needs of distribution. Business complexities in the late 20th century demanded it. A Foundation dedicated to research and education was seen as providing the forward thinking necessary to support the industry as it looks toward doing business in the next century.

The work of the PAPER Foundation is different from that of NPTA. Where NPTA's research activities involve the collection and analysis of data on paper distribution monthly, quarterly and annually, the PAPER Foundation is positioned to research and *interpret* the effect of economic events and changing business strategies will have on distribution companies.

Explaining the differences between the two organizations has not been easy. "We have had an identity problem," says Buckley. "True, NPTA has been the initiating force behind the PAPER Foundation, but the Foundation is designed to do long-range research and tackle more difficult questions than NPTA is capable of doing." Indeed, there lies the difference.

Two-Division Structure to Accomplish Goals

In order to carry out its research and education mission, the Foundation has adopted a two-part structure. One division has been established to study paper distribution questions that require a long-term commitment of time and money, and continuity. This is the Endowed Research Chair in Paper Wholesaling. The other will study shorter term trends and industry developments. This is the Special Projects Division that will do more specialized work in a variety of areas.

"Special Projects" are studies that are narrower in scope and shorter in duration than those to be undertaken by the Endowed Chair Program. The first special project of the Foundation has been completed. *Growth Strategies in Paper Distribution* surveyed the industry to determine the major trends that require further attention. Foundation president John Buckley has used the research results to make over 30 industry presentations and is updating a book on the subject that will be available shortly.

Project work on subjects such as:

1. Developing databases of information on paper merchant customers and products to assist in the creation of marketing plans.
2. Analysis of cost structures in paper distribution.
3. Evaluation of the physical distribution opportunities that exist in paper distribution.

of the Foundation.

These studies may last from six to 18 months and be handled by outside consultants on an individual basis. The results of the work done will then be shared with the industry through Convention presentations, books, management reports, articles in *MN*, or via a seminar on the topic. The Special Projects Division will seek to maximize the implementation of its research findings. Work will begin soon on the next special project. A committee of the board of trustees met in Denver on December 2, 1986, for that purpose.

An updated *Growth Strategies* study has already been approved. Publication has been set for June, 1986. The second Foundation project was decided at the December meeting.

Membership

The Paper And Plastics Education Research (PAPER) Foundation has as its membership two groups: paper, plastics and allied products distributors, and their suppliers.

All NPTA member companies are automat-

ically members of the PAPER Foundation through the allocation of a portion of their NPTA dues. Suppliers, who will be asked to join later this year, will benefit enormously from Foundation involvement. It will provide a forum for them to work *with* their customers, the distributors, to analyze and understand how to improve the distribution network for their products. Furthermore, merchants will look to suppliers who are members of the Foundation for leadership. Manufacturers, converters, extruders, and other vendors who wish to truly stay at the forefront of distribution activities will want to gain membership in the PAPER Foundation.

Foundation Sources of Revenue

In addition to an allocation from NPTA, the PAPER Foundation obtains the proceeds of the Chairman's Luncheon each year that is held during the NPTA Convention. 1986 saw $6,000 flow from this source.

When suppliers are asked to join the Foundation later this year, they will represent the third source of revenue. These streams of support—wholesalers, luncheon donations and suppliers—will give the PAPER Foundation the income it needs to carry out its mission.

More to Come

The very nature of the Foundation is to provide cutting-edge information on paper, plastics and allied products distribution. Although the organization is in its infancy, it has already been true to its mission. In the weeks and months ahead, readers of *MN* will be kept informed of the new developments that will bring the PAPER Foundation closer to home.

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CHAIRMAN'S CORNER

What is Your Business Foundation?

Having been a party to the creation of the Paper And Plastics Education Research (PAPER) Foundation, you might say I have a vested interest in its progress and success. Being present at its inception, though, has nothing to do with it. It is a good idea for our industry and its time has come.

It is interesting that, as a concept, the word "Foundation" was chosen. And it really fits. In a sense, the work that is being accomplished and that which will be done lays the "Foundation" for our success as business people in the years to come. In my opinion, the relationship between what is done on a daily basis and the work of the PAPER Foundation is that direct, that specific.

The Foundation's first project on future trends done by Denis Healy, set the stage for what was to come. A task force met in December to begin work on the next PAPER Foundation projects. You will be hearing more about this in the months ahead.

Members of NPTA are members of the Foundation, automatically. You will be kept informed of developments—no charge. But don't stop there. Build on that Foundation, support its research through participation, be directly involved and make things happen.

A wise man once said that you must plan for the future because you will be spending the rest of your life there. That is the foundation upon which to build a business career.

Francis J. Houlihan
NPTA Chairman

Chairman of the PAPER Foundation Sets '87 Course

The Paper And Plastics Education Research (PAPER) Foundation has as its chairman John F. Church, Jr., president of the Cincinnati Cordage and Paper Company. He recently spoke with MN about the Foundation, its purpose and plans.

John F. Church, Jr.

MN: *What is the PAPER Foundation?*
Church: I believe there is a bit of confusion about the Foundation, its purpose and its makeup. PAPER is an acronym for Paper And Plastics Education Research, which was suggested by Frank Viegas at an NPTA Board meeting in Washington, DC in 1984. There are two parts to the Foundation that are distinctly separate and importantly interrelated. The first part is already in operation; it started with our Future Trends study and is continuing, but more about that later. The second part is the Endowed Chair, which will begin at the completion of the funding.

MN: *What is the Purpose of the Foundation?*
Church: As stated in the Certificate of Incorporation, it's twofold: First, to sponsor, cosponsor, initiate or implement educational and research programs in the field of economics, especially in connection with the wholesale distribution of paper, plastics and related products. We are not limited to projects that are paper oriented, although that is where the focus will be. The Future Trends project was part of this first purpose.

The second purpose is to provide or aid in obtaining financial support to educational institutions in furtherance of research and education relating to wholesale distribution, obviously in our industry. This information will then be disseminated by means of publications, seminars and lectures. This second purpose will be fulfilled by the Endowed Chair.

MN: *Why Was the Foundation Created?*
Church: The NPTA Board of Directors recognized the need and the desire for education and training, thus the creation of a standing committee for that purpose. As our Association became better organized and started providing more and better services, it became evident that we could enter the big time with the PAPER Foundation. It was a natural outgrowth of the focus on education and training. It can provide for all of us what would be, practically speaking, impossible for each of us to provide for ourselves.

MN: *What Would the PAPER Foundation Contribute to the Paper Industry's Pool of Knowledge?*
Church: The eminent scholar of the Endowed Chair will provide a fountain of knowledge to address specific concerns from an academic perspective. The Foundation projects will apply that resource of knowledge in a practical way so as to enable us to see it in our businesses. It has not yet been determined whether the eminent scholar will be permanent or rotate, and, if rotating, how often. We have never had the luxury of an academician working just for us. Think what that could mean. Maybe he/she will produce the Xerox of the paper industry for us. With the right person, we could be limited only by time and our imagination.

MN: *You Are a Very Busy Businessman. Why Have You Become So Involved in the Work of the Foundation?*
Church: It is potentially one of the most exciting and rewarding projects that the Association has ever undertaken. With it, we are taking a giant step toward sophistication. Look what DREF has done for NAW. (The Distribution Research and Education Foundation is part of the National Association of Wholesaler-Distributors.) Knowledge is power, and the future belongs to those who have it and know what to do with it. Although, in numbers, we are a very diverse group, we are no longer dominated by the private, independent mom and pop companies. We have all grown up and are competing in a much faster, more sophisticated environment. The PAPER Foundation will help us in that arena, and I want to be a part of it and make a contribution to it.

MN: *What Projects Do You See the Foundation Taking on in the Future?*
Church: In 1987 we will publish a long-over-

NATIONAL PAPER TRADE ASSOCIATION, INC.

Atlanta, Georgia

The 1987 Annual Convention

AND PAPER/PLASTICS AND ALLIED PRODUCTS

Exposition

September 19–22, 1987

Paper distributors from every state in the Union and 16 foreign countries will meet in Atlanta for the major event of the year: NPTA's Annual Convention and Paper/Plastics and Allied Products Exposition.

Plan on being there for important workshops and seminars, a chance to meet the leaders of the industry, share ideas, and learn what's new on the market for paper distributors.

Expo '87 will feature paper, plastic and related products including health care disposables, retail and industrial packaging, food service items, sanitary supplies and equipment, nonwovens, foils, tapes, wraps and other specialties. Computer hardware and software designed specifically for paper distributors will also be displayed.

Don't miss NPTA's Convention and Expo '87—The Show, The Meetings, the Special Events . . . all waiting for you in Atlanta!

Exposition Management:
Scherago Associates, Inc.
1515 Broadway
New York, New York 10036
(212) 730-1050

Sponsoring Organization:
National Paper Trade Association, Inc.
111 Great Neck Road
Great Neck, New York 11021
(516) 829-3070

The Seven Most Asked Questions About the PAPER Foundation

1. *If I am a member of NPTA, am I a member of the PAPER Foundation as well?*

Yes. Because a portion of the dues your company pays to NPTA is allocated to the Foundation, your company is automatically a member of the PAPER Foundation. To maximize involvement in the Foundation, all members are asked to contribute to the Endowed Chair program.

2. *I am a supplier and interested in keeping up with the changing nature of the paper, plastics and allied products distribution industry. Can I join the Foundation?*

Yes. A membership campaign will be directed to suppliers later this year.

3. *When can I expect to see the results of the first Foundation project?*

The results of the first study, "Growth Strategies in Paper Distribution" are already in. A book on the subject will be out shortly. The preliminary results have been used to make presentations to over 30 industry groups.

4. *How will an Endowed Chair Program in Florida help me as a merchant in the upper midwest?*

The location of the program geographically is not important, because the information generated will be shared nationally. Further, the eminent scholar seated in the chair to conduct research may be from your part of the country. After his tenure as an eminent scholar with the Foundation, he will return to infuse this new information in your local system.

5. *Will the Foundation study product trends and developments in the industry as well as economic and management strategies?*

Yes. Products sold by what we traditionally call "paper merchants" will be studied. This includes both paper and non-paper items. Remember, "plastics" is part of the Foundation's name.

6. *I have some ideas for research projects the PAPER Foundation may want to study. How can I communicate these to the Foundation's board of trustees?*

All project ideas are welcomed by the Foundation's trustees. Send your correspondence to the attention of John F. Church Jr., chairman, PAPER Foundation, 111 Great Neck Road, Great Neck, New York 11021.

7. *If I am really committed to staying on top of the most important trends and developments in our industry, what more can I do?*

Many Foundation members have felt the same way. They have chosen to make a pledge to the Endowed Chair program. Approximately $50,000 remains to be raised. Contributors to the Chair will become part of a research network and be kept informed of the development of research projects in this division.

due, but updated, report on the Future Trends study by Dr. Denis Healy. We will also start one new project. Future projects will be both short and long-term in nature and will encompass all aspects of our industry. It will be important and difficult to prioritize the projects in such a rapidly changing business world.

NN: *What Role Will the Suppliers Have in the Foundation?*

Church: A very important role. They have a vested interest in us. Our future depends upon each others' success. They will be represented on the Foundation's Board of Trustees and will participate in the selection and production of projects. The Trustees are elected by the NPTA Board of Directors and every NPTA member is automatically a member of the Foundation.

NN: *What Industry Support Does the Foundation Need at This Point?*

Church: We need your financial support and ongoing commitment. The annual Stanley G. Styles Award luncheon, while honoring one of our industry's leaders, also raises funds for Foundation projects. The award is the most prestigious in our industry and we need your support at the luncheon to properly acknowledge our honored nominee and to raise money for future research projects.

The Endowed Chair is almost funded—one million dollars, with $600,000 committed from the industry and friends, and an extremely important $400,000 from the State of Florida. We have over 100 contributors with seven sponsor gifts of $20,000 each. It's important, though, that we have a broad base of financial support. So, if you have not made a donation yet, do it now. Don't put it off. We want to get out of the fund-raising business and get on with the Foundation business. There is approximately $50,000 left to be raised. This is truly an investment in *your* future, so don't sell yourself short.

We still have not yet met the Chairman's Challenge Pledge. Don't let that opportunity slip away.

NN: *Thank you.*

First of its Kind. The PAPER Foundation's Endowment for Research

Never before has an endowment been established to study a distribution industry. The PAPER Foundation has all but finished its work to kick off its $1 million Endowed Research Chair in Paper Wholesaling at the University of North Florida. Approximately $50,000 is left to be raised to begin the Foundation's research activities that will help industry companies better understand the forces affecting the paper and plastics distribution business.

It has been reported by many sources that wholesale distribution is undergoing major change. Paper merchants face changes brought about by the impact of new technology on their businesses as well as changing customer needs in the marketplace. In order to prepare the paper, plastics and allied products distribution for the 21st century, a great deal of research work must be accomplished in the late '80s and into the '90s.

The trustees of the Paper And Plastics Education Research Foundation took up the challenge of the next century through the establishment of a research endowment to help merchants today tackle the questions of tomorrow. The Endowed Research Chair in Paper Wholesaling at the University of North Florida will assure an uninterrupted supply of research money to accomplish its long-range mission.

A research institute, like the PAPER Foundation's Endowed Chair, can crystalize the picture of the industry's future by conducting long-term research in specific areas. The result of this work will be turned into action plans for industry companies. Furthermore, all paper merchants will benefit because the Foundation is working through a university. The Foundation's endowment, says University of North Florida president Curtis L. McCray, "demonstrates in a very tangible and positive way the growing interdependence between the public and private sectors."

Major Advantages of the Endowment Program

Preparing for tomorrow through a major research effort today gives those interested in the way their products will be distributed a better understanding of the forces at work within their companies and the marketplace. The endowment will accomplish its mission in a number of ways:

1. Long-range, uninterrupted research will be done.

2. Practical outcomes will be action-oriented for industry companies.

3. Research facilities will be provided by the university.

4. Well-established scholars will be attracted to conduct the research.

5. Graduate students at the university will learn about paper, plastics and allied products distribution.

6. The Endowed Chair will create the core for other research-related work both at the university and other institutions.

7. An endowment means that a one-time payment for the research commitment creates an ongoing income stream. Once paid, there will be no break in the cycle of meaningful projects. Research ideas will not go in search of funding. The Foundation's time is spent on managing research instead of fund raising.

Endowment Operations

To accomplish these long-range projects, the PAPER Foundation's board of trustees sets the overall agenda for the organization's activities, including the Endowed Chair Program.

The trustees will recommend projects and the business faculty of the University faculty will seek out eminent scholars from around the country to conduct the research. The scholar doing the research will be involved in the work for six to 12 months, depending on the nature of the project. The first scholar will be named in 1989.

University of North Florida
College of Business Administration

Center for Education and Research in Wholesaling

Edward A. Moses

The University of North Florida is a regional university organized to meet specific education and training needs in northeast Florida. Jacksonville is emerging as a wholesale distribution center; accordingly UNF's mission is to identify and satisfy unmet education, research, and training needs in this area. The Center for Education and Research in Wholesaling in the College of Business Administration will be created to meet the demand for wholesale distribution research and training.

The Center will be staffed by a director responsible for research and training in wholesale distribution. The director will be a full-time professional committed to developing education and research in wholesale distribution and coordinating these efforts with related areas of expertise in the College of Business Administration, such as purchasing, transportation and logistics. In addition to applying interdisciplinary expertise within the College to research opportunities and problems in wholesale distribution, the director of the Center will foster and coordinate unique academic and professional research, training and education in wholesale paper distribution with the Endowed Research Chair in Paper Wholesaling.

The Endowed Chair in Paper Wholesaling will be administered as a rotating professorship within the Center. The director of the Center will provide support for the visiting chairholders who will be preeminent in specialized areas of knowledge related to unique research needs of the paper wholesaling industry. The director will confer and collaborate with these distinguished visiting professors who will be undertaking research and training for the benefit of the wholesale paper industry. The director's responsibility will include maintaining a close working relationship with wholesale paper executives and will also be responsible for assisting the endowed research program by identifying broad issues, research, and monitoring training needs and programs in wholesaling that could be applied to unique problems of the wholesale paper industry.

Edward A. Moses
Dean of the College of
Business Administration

Industry Benefits

The benefits of a research endowment to the paper, plastics and allied products industry are many:

1. Industry efficiency and productivity will be improved by implementation of the research results.
2. The industry will be in a position to handle change in a more logical, patterned way. Change will be anticipated instead of reacted to.
3. The implementation of the research results will cause a general increase in the level of professionalism and sophistication of the industry.

In addition, the paper industry will be in a unique position. No other wholesaling industry has made such a commitment to research and study of its trade. The Endowed Chair Program also increases the academic understanding of paper and plastics distribution at the university level. There will be a body of knowledge created for the first time. It is hoped that other research will be generated, in turn, as this work will have a "ripple effect."

Beyond the Research

"Research results are only the beginning of the services that will grow out of the Endowed Chair Program," says John J. Buckley, Jr., president of the PAPER Foundation. "You will see much more than just tangible results."

Contributors to the Endowed Chair will have a great wealth of management talent available to them for the support of their companies after the eminent scholar leaves the chair. The knowledge developed through the endowment program can be applied by these specialists to individual companies that are interested.

Furthermore, eminent scholars, upon their return to their home universities, will educate students, thus increasing interest and understanding of paper, plastics and allied products distribution careers. A variety of research reports, seminars, books, etc. will be made available as well.

Major Advantages of University of North Florida

Selecting a home for the Endowed Chair was not easy. The University of North Florida was chosen for many reasons, not the least of which was a contribution of $400,000 toward the effort by the State of Florida.

UNF is a young, progressive institution of higher learning located in Jacksonville, FL. Founded in 1965, it has shown a continuing commitment to excellence in teaching, research and public service. There are three colleges on the UNF campus: Arts and Sciences, Education and Human Services, and Business Administration. The PAPER Foundation's Endowed Chair will reside in the College of Business Administration.

UNF is in the process of creating a Bachelor degree program in business administration with

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Contributors to the Endowed Research Chair in Paper Wholesaling

Acorn Paper, Indianapolis, IN
Affiliated Paper, Tuscaloosa, AL
Alling & Cory, Rochester, NY
American Paper, San Juan, PR
Anchor Paper, St. Paul, MN
Apache Paper, St. Paul, MN
Apollo Paper, Houston, TX
Arrow Paper, Somerville, MA

Balpex, Ontario, Canada
Bond Queen City, Elmira, NY
Brame Specialty, Durham, NC
Brawner Paper, Houston, TX
Broward Paper, Ft. Lauderdale, FL
Bunzl Corp., Florham Park, NJ
Burlington Paper, Burlington, IA
Bush Bros., Champaign, IL

Canadian Paper Trade, Toronto
Cannon Paper, Toledo, OH
Capital Paper, New York, NY
Carpenter Paper, Des Moines, IA
Carr Paper, Pomona, CA
Central Wisconsin, Wausau, WI
Century Papers, Houston, TX
Champion International, Stamford, CT
Cincinnati Cordage, Cincinnati, OH
Classic Packaging, Port Coquitlam, BC
Clampitt Papers, Dallas, TX
Communication Paper, Farmingdale, NY
Commerce Paper, Toledo, OH
Crown Products, Yonkers, NY
Crown Zellerbach, San Francisco, CA

Direct Packaging, Hewlett, NY
Dixon Paper, Denver, CO
Dowd Co., Woburn, MA
Duluth Paper Co., Duluth, MN

Everett Wholesale, Everett, WA

Fargo Paper, Fargo, ND
Fisher Bros., Ft. Wayne, IN
Fleetwood Paper, Franklin Park, IL
Frontier Paper, Anchorage, AK
S. Freedman & Sons, Landover, MD

G. B. Goldman Paper, Philadelphia, PA
Grayco Products, Westbury, NY
Gulf Coast Paper, Victoria, TX
Gummed Papers America, Chicago, IL

Hammermill, Erie, PA
Hershey Paper, Hershey, PA
Hudson Valley Paper, Albany, NY
Hull Paper, Dayton, OH

I Supply Co., Springfield, OH
Industrial Wiper, Chelsea, MA
Inlander-Steindler, Elk Grove, IL
Inter City Papers, Mississauga, Ontario
Iroquois Paper, Chicago, IL

JB Papers, Union, NJ
Jackson Paper, Jackson, MS
Jedco Paper, Red Lion, PA
Judd Paper, Holyoke, MA

Katzke Paper, Denver, CO
Keene Industrial, Keene, NH
Keldon Paper, Los Angeles, CA
Keller Enterprises, Portland, OR
Killhour Commercial, Philadelphia, PA
Kirk Paper Co., Los Angeles, CA

Lauzier-Little, Quebec
Leslie Paper, Minneapolis, MN
Lindenmeyr Corp., Long Island City, NY

Mac Papers, Jacksonville, FL
Marks Paper, New Orleans, LA
Mayan Converting, Houston, TX
Mayer, Myers Co., Memphis, TN
Mayfield Paper, San Angelo, TX
Marking Development Co., Hillside, NJ
McApco, Burlington, VT
Millcraft Paper, Cleveland, OH
Monarch Box, Chicago, IL
Monumental Paper, Baltimore, MD
D.F. Munroe Co., N. Wilmington, MA

National Paper, Omaha, NE
National Paper of NJ, E. Orange, NJ
Nekoosa Foundation, Port Edwards, WI
Nogg Bros., Omaha, NE
Norco Paper, Oakland, CA

Ohio & Michigan Paper, Toledo, OH

Paper Co., Sioux Falls, SD
Paper Corp. of America, Valley Forge, PA
Paper Mills Agency, Seattle, WA
Paper & Plastics Inc., Oxnard, CA
Paper Services Co., Mankato, MN
Frank Parsons Co., Landover, MD
Piedmont National, Atlanta, GA
Pollock Paper, Dallas, TX
Price Daxion, Quebec

Renard Paper, St. Louis, MO
Ris Paper, Garden City, NY
Rotary Manifold, Schiller Pk, IL
Russell-Field, Bellwood, IL

Schilling Paper, LaCrosse, WI
Seaman Patrick, Detroit, MI
Service Paper Co., Renton, WA
Shaughnessy Kniep, St. Louis, MO
W.H. Smith, Albany, NY
Snyder Paper, Hickory, NC
Spiegel Bros., Kingston, NY
Standard Paper Sales, Asheville, NC
Chas. G. Stott Co., Washington, DC
Sunclipse, Montebello, CA

Turnquist Paper Co., Minneapolis, MN

Unijax Inc., Jacksonville, FL
Union Paper, Clarkston, WA

WWF Corp., Bala Cynwyd, PA
S. Walter Packaging, Philadelphia, PA
Weiss Bros., Hagerstown, PA
West Coast Paper, Seattle, WA
Western Paper, Kent, WA
Whitaker Carpenter, Elk Grove, IL
Whitney Bros., Boston, MA
Wilcox Paper, Minneapolis, MN
Wilder Industries, Philadelphia, PA
Williamsport Paper, Williamsport, PA

In Addition

The PAPER Foundation gratefully acknowledges those industry people who have made personal pledges to the Endowed Chair program. Combined personal pledges have come to over $11,000.

At J B Papers, Excellence is Spelled P-A-R

This article originally run in the February 1986 edition of MN, *is even more important today. The PAR season is upon us and all merchants should take advantage of this free NPTA service.—Editor*

by Herb Brownett
director of finance
and administration
J B Papers, Union, NJ

Much has been said and written lately about achieving "excellence" in business. Just about everyone would agree that it is a worthy objective, but just like any objective, you must have a way to measure achievement. That is what this article is about, measuring the achievement of "excellence" in paper distribution.

Ask any paper merchant what his company objective is (i.e. definition of "excellence") and you will likely get an answer that sounds like this: "Why at XYZ Paper we want to be a high growth, high service, low cost distributor." Great! So how do you know if you have achieved this or are at least progressing toward it? High and low relative to what? The answer is simple: high growth, high service, low cost *relative* to the other companies in your business—*your* competitors.

Now for the good news. The NPTA provides us with a wonderful tool for measuring our "excellence," the Performance Analysis Report (PAR). You say: "Oh yeah, the PAR report. That little book with all the numbers, statistics and graphs that I got last spring and keep on the credenza under all the old magazines, right?" Wrong! Same book, but at J B Papers every member of top management has a copy at his fingertips and it is used to run the business day in and day out. This commitment comes from the very top of the company and has become part of the culture. Using key PAR results is *how we measure "excellence" at J B Papers. Our continuous goal is to be in the Region 2 upper quartile in the following statistics:*

- Net Profit Before Tax as % Net Worth
- % Sales Change Over Prior Year
- Gross Margin %
- Operating Expenses as % Gross Profit
- Personnel Productivity Index
- Turn and Earn Index
- Gross Margin Return on Average Month's Receivables

Measuring Excellence

You may say at this point that many aspects of "excellence" are qualitative and cannot be measured quantitatively. Such things as the quality of sales and order desk people, inventory service levels, and shipping accuracy as examples, cannot be monitored day-to-day via PAR-type statistics and should be monitored by other means. You better believe, however, that over time they translate into PAR statistics like sales growth, trading margins and cost percentages. Herein lies the heart of the matter. The qualitative factors drive the numbers; analysis of your numbers relative to your competitor's numbers targets those qualitative things that you need to improve.

We specifically use the PAR report at J B Papers in three ways: annual analysis of results, operating decisions and annual planning. It starts with annual analysis. When the PAR report for the previous year arrives, all our top managers receive a copy and are given a week to study it. Then we have a meeting on a Saturday (no phones, no operating demands) and go through the results item by item. For just about every statistic, we ask ourselves: Is it relevant to us? What does it mean? Does it reflect a strength, a weakness? What can we do to improve? Did we improve from last year? and so on. If we do not finish in one day, we come back the next Saturday and continue.

We concentrate primarily on the items mentioned above as company objectives. I will admit that we pass over many items as not relevant. We do not look at any LIFO-based data or financial structure-leverage-type data too much. In both cases, we feel that analysis will not lead to any significant changes. Within specific statistical items, we concentrate on our region's data, because that is our direct competition, and the high ROTA group because they are the "excellent" companies. In general, we are trying to identify weaknesses and opportunities to improve.

Using the PAR Data

During the year, we continually refer to the PAR with respect to operating decisions and results. We always take a hard look at personnel productivity data whenever we are considering adding peo-

ple. Recently, after several years of very high sales growth, we felt we needed to add personnel, but were not sure how many. We reviewed gross profit per person, number of orders per person, and number of salesman per person for the sales service category under various scenarios versus Region 2 and high ROTA PAR data. The results were implemented and we seemed to have improved our service level without imbalancing our cost structure.

Another people-related use of PAR data occurred during our last labor union negotiations. The union proposed increases that were a continuation of the percentages given during the high inflation of several years ago. Our review of PAR data showed that our people's productivity had not kept up with their salary increases and we proposed a significantly lower increase than had traditionally been given. We even went so far as to present the PAR data to the union representative and the rank and file to show them that they were better paid and less productive than our competitors. We eventually settled on a lower increase. Following the use of these measures in negotiations, we now use them as approximate productivity standards for warehouse workers and drivers.

We recently revised our sales commission system to better focus the salesmen on gross trading margins and order size. In doing so, we were very concerned about being fair with the salesmen, but not giving away the ranch. We have used PAR data relative to outside sales pay, benefits and expenses to make sure that our new system is competitive to attract and retain good people, yet not out of line cost-wise.

In all these people-compensation issues, we place great emphasis on the Personnel Productivity Index. This index, which compares the gross profit generated per employee to the average compensation paid, is invaluable in evaluating the trade-off of the cost of good people versus their contribution. Our company objective is to hire better people at higher pay and get more out of them. We feel strongly that this is an excellent strategy, but obviously you must keep the productivity in focus or you could just end up with higher paid people.

Special Applications

We frequently find PAR data useful in non-recurring special analyses. For example, due to the previously mentioned sales growth, we have totally outgrown our existing warehouse space. In investigating moving or adding on, we ran into the classic dilemma of how much space was enough. Once again, we turned to the PAR. Using the sales per cubic foot statistic, we were able to project the space requirements under various sales growth assumptions.

In the asset management area, the PAR contains useful data that extends beyond the accounts receivable average days outstanding and inventory turns data that is otherwise readily available. We find the inventory "turn and earn" index and the gross margin return on average month's receivable to be very useful because these take into account the gross profit percentage trade-off from stocking levels and credit extension. In other words, if you stock deep or grant special credit terms, you ought to earn a higher gross trading margin as compensation. These indexes, which are the inventory and receivable turns times gross profit percent, evaluate if this in fact takes place.

Finally, once the plan numbers for the next year are complete, we evaluate them in terms of the key objectives mentioned above. If any of the planned PAR statistics are out of line with the previous year's industry results we re-evaluate the applicable plan actions. We may or may not change them, but at least we know up front if plan actions are going to diminish our PAR results.

PAR is Easy to Use

I would like to say a brief word here about using the PAR report in general. It tends by nature to be an overwhelming and intimidating document. Don't let this turn you off. It is very easy to find the important data. I go through my books and highlight key statistics with marking pens. If certain statistics are not useful, I scratch them out or even rip out the page. I write comments next to items and draw arrows between related items. I think if you view it as a *workbook* instead of some sort of sacred document it is much more useful.

As you can see, the PAR report is an integral part of management at J B Papers. J B chairman Bernie Bloom, has stated on more than one occasion that the PAR report alone justifies the cost of NPTA membership. I would encourage all members to participate in the PAR, to get it and use it. I am sure you will find it an invaluable tool for achieving "excellence."

Note: PAR questionnaires will be mailed to all NPTA members at the end of this month. Watch for this mailing which will contain the survey form and all related literature. Contact the Research Department if you have not received it by mid-February. This mailing is sent to company presidents, treasurers, controllers, and financial managers.

Industrial Paper

Continued from page 14

The FDA and Tamper-Resistant Packaging in the News Again

According to an article in *Impressions*, the newsletter of the Paperboard Packaging Council, the Food and Drug Administration is making an effort to reduce the chances of unauthorized persons acquiring samples of tamper-resistant packaging materials by working with and seeking the assistance of packaging manufacturers and distributors. The FDA appeal came following reports that some packaging suppliers might be sending samples of tamper-resistant packaging materials indiscriminately to anyone who requests them, without screening to determine if they are legitimate potential customers. FDA is concerned that a person with malicious intent could use these samples of packaging obtained this way to conceal a tampering effort.

Members of the packaging industry are being urged to examine their practices of distributing samples and to take steps to avoid creating opportunitites for misuse. In the event that screening potential customers is impractical, FDA suggests marking materials as "Sample" to preclude further use.

NPTA Financial Management Guide Revised

In 1969 NPTA's "Financial Management and Computer Applications Committee" (now known as the Management Information Committee) worked in conjunction with the management consulting firm A. T. Kearney & Company, Inc. to produce the Paper Merchant's Guide to Profitable Management.

Much of the information contained in the original *Paper Merchant's Guide to Profitable Management* is still valid today. However, a lot has changed over the years, such as the great impact computers have had on merchants' day-to-day operations, and the addition of indirect sales as a third classification. Experience has also pointed to the fact that most merchants do not now use the very sophisticated and complex method of allocating costs and establishing "charge rates" developed by A. T. Kearney.

Consequently, the time was ripe for a major update and revision of this valuable 1969 guide. NPTA's Management Information Committee took on this major task two years ago, and has just completed the project. In revising the guide, NPTA solicited in-depth input from the top financial management and presidents of nine paper merchants firms of various sizes, geographic regions and printing/industrial/dual paper orientation. Also consulted was Dr. Peter Mullins, co-founder of Management Foresight, Inc. of Columbus, OH (MFI has produced company PARs—Performance Analysis Reports for NPTA since 1977).

Structure of the Guide

The guide is divided into four major sections plus an appendix, and is offered in 3-ring looseleaf binder format. The looseleaf format will allow for ease of periodic updates, which are especially necessary in such areas as computerization where change is constant and rapid. When published, future updates will be offered for sale at nominal cost to all buyers of the original guide.

Who Should Use the New Guide?

Any financial manager that is new to the paper distribution business could benefit enormously by using the guide as his "bible." Any president or owner setting up a new distributorship could also use it to get off on the right foot. Anyone recently promoted to a position of broader responsibility or is new to the industry and must consider the effects of cash flow, receivables and inventory management, and who is concerned with profit improvement techniques could use the guide. In summary then, the new *Paper Merchant's Guide to Profitable Management* would be of direct benefit to the following personnel:

- Presidents
- Controllers
- Treasurers
- VP Finance
- Branch Managers
- VP Operations
- General Managers
- Division Managers

What Topics are Covered?

Following is a partial list of topics covered in the guide:

- The need for cost controls
- Performance measurement: ROI, ROTA, Asset Management
- Organization and planning
- Merchant sectors and sales classifications
- The accounting system: recommended chart of accounts, balance sheet, P & L analysis, operating accounts
- How to reclassify expenses from your current system
- The management information system: Why computerize? costs, upgrading, using service bureaus, using PCs, strategic planning applications, software and hardware selection criteria checklist, customer and product line profitability analyses, bar coding, electronic data interchange, electronic mail, remote order entry
- Cost analysis and expense factors
- Profit improvement: 32 key financial measures in seven major areas that tell you how hard your money is working and how effectively the firm is operating
- Illustrations of: Typical organization chart, computer order entry system, composite balance sheets, operating statements, the ROTA formula, industry versus company sales analysis, etc.

A more detailed brochure (and order form) on the *Paper Merchant's Guide to Profitable Management* may be obtained by writing or calling NPTA, 111 Great Neck Road, Great Neck, NY 11021. Or, call the Research Department at: 516–829–3070. The book may be ordered by members at $49 and $75 for suppliers. There is a $4.00 shipping and handling charge.

Suppliers' Trade Relations with Distributors Under Fire in Court

Suppliers' refusal to deal with wholesaler-distributor under certain circumstances upheld by Court of Appeals

After a review of conflicting legal authorities, the U.S. Court of Appeals for the 10th Circuit concluded in a recent decision that, based on the particular facts in the case, a supplier who acts at the behest of one of its wholesaler-distributors and refuses to do business with one of the wholesaler-distributor's rivals did not violate section 1 of the Sherman Act. (Westman Commission Co. v. Hobart International, Inc.)

According to a report by The National Association Wholesaler-Distributors, this decision demonstrates there is no clear-cut rule on the legality of a supplier's decision to terminate a wholesaler-distributor or to refuse to do business where the decision may not be unilateral. Each situation must be evaluated in light of all the facts and circumstances as well as the reasons that the action is taken.

Westman had distributed Hobart products for fourteen months under an informal arrangement. However, Hobart later refused to grant a formal distributorship agreement to Westman and ultimately informed Westman in 1976 that it would no longer sell to them on a casual basis. Hobart had eight wholesaler-distributors in the highly competitive Denver-area market including Nobel, a firm which accounted for one-half of Hobart's sales in the area. Nobel also sold many other lines of equipment in addition to the Hobart line.

There was evidence that Nobel, fearing competition from Westman, urged Hobart to deny Westman's distributorship and avoid jeopardizing their existing business relationship. The court found that Hobart, responding to this, denied Westman a distributorship.

Thereafter, Westman brought an antitrust action claiming that Hobart and Nobel had conspired to prevent competition in the Denver-area market. There were no allegations of additional conspirators, or that the alleged conspiracy had other unlawful purposes such as to fix or stabilize prices or impose a tying arrangement.

The 10th Circuit Court of Appeals reversed the trial court's finding that Hobart's refusal to deal in this case was a per se, or automatic, violation of the Sherman Act due to the absence of the slightest hint of price fixing or price maintenance motives. The court did acknowledge, however, the great uncertainty that exists in this area of the law when it noted that "other circuit courts have rejected this view, holding that a manufacturer who refuses to deal with a wholesaler-distributor commits a per se antitrust violation if the refusal is made at the behest of a competing wholesaler-distributor" and price considerations are present. A substantial degree of risk of antitrust violation exists where the supplier's termination of or refusal to deal with a wholesaler-distributor at the behest of a rival is accompanied by allegations of unlawful motives such as price fixing, price stabilization or tying arrangements.

The Court also found that Hobart's conduct in this case did not constitute an unreasonable restraint of trade. A number of reasons were cited by the Court as to why a supplier should be given latitude in selecting its wholesaler-distributors and establishing an efficient system of distribution.

Conclusion

The general rule that, absent any unlawful conduct, a party may deal with those which it elects to deal with applies, states NAW. The facts and circumstances surrounding a refusal to deal must be carefully scrutinized to determine if in fact there is an absence of any unlawful elements. In the Westman case, no unlawful conduct was determined to exist and this court did not apply the rule of law that where price considerations are present, a termination of one distributor at the behest of another is illegal in and of itself, thus producing the necessary unlawful conduct. Faced with a similar set of facts, another court in another jurisdiction could come up with a contrary position.

Mixed Signals from November Election

Campaign '86 drew to a dramatic close, with a confusing barrage of signals reports the National Association of Wholesaler Distributors (NAW). While the Democrats took the Senate, Republicans had a net gain of eight governorships. NAW does not see an overriding national theme emerging.

The Association's Wholesaler Distributor Political Action Committee (WDPAC) had a strong showing, with 60% of the candidates they backed winning seats in the Senate. Their objective of retaining Republican control there was not realized.

Their second goal—retention of the broadest possible pro-business base in the House—was secured rather easily, NAW officials report. Of the 128 candidates supported, 85% won election.

NPTA Welcomes New Members

Joining the National Paper Trade Association during the 1986 calendar year were 38 companies. All directors, staff and paper distribution companies welcome them to the ranks of membership.

AAA Supplies Inc.
Brooklyn, NY
Aaron Weiss, president

ABC Shipping Co.
Cicero, IL
Jordan Nerenberg, president

Acorn Paper Co., Inc.
Philadelphia, PA
Irving Kornberg, president

Acorn Paper Service Inc.
Houston, TX
Ronald T. Cauvillon, president

American Paper and Plastics Co.
Cincinnati, OH
Thomas M. Kuhlman, president

Arrow Paper Co.
Jackson, MS
Jacky Burney, president

Atkins Paper, Inc.
Orlando, FL
Charles A. Atkins, Jr., president

Bowling Green Paper Co.
Bowling Green, KY
Charles A. Hardcastle, president

Commonwealth Packaging Co.
Harrisburg, PA
Jay Maisel, president

Conejo Container and Shipping Room Supplies
Agoura Hills, CA
Frank L. Weiner, president

Emsco Industries, Inc.
Sioux Falls, SD
Walt S. Marzinke

Fishman Supply Co., Inc.
Petaluma, CA
Rose Fishman, president

Global Paper Co.
Hackensack, NJ
Bernard Struhl, president

Globe Bag Company, Inc.
South Boston, MA
E. Goldberg, president

Gretco Corporation
Lima, OH
Richard Toth, president

Hill and Markes Inc.
Amsterdam, NY
Harriet Finkle, president

Huntsville Paper Co.
Huntsville, AL
Larry McGinn, president

Ingram Paper Co.
Commerce, CA
Donald C. Ingram, president

Iowa Retail Packaging Corp.
West Des Moines, IA
Peter Dickinson

Lapinson Supply Co.
Philadelphia, PA
Don Lapinson, president

LaSalle Paper Co.
Los Angeles, CA
Robert D. Cole, president

Mandler Paper Co., Inc.
Brooklyn, NY
Stewart A. Mandler, president

National Independent Sanitary Supply Companies, Inc.
Cincinnati, OH
Thomas B. Haines, president

Netcan Paper Distributing Co., Inc.
St. Laurent, Quebec, Canada
Alican Mortan, general manager

Oken Distributing Co., Inc.
Rochester, NY
Howard L. Schwartz, president

Plastic Bag Corp.
Bellwood, IL
Robert G. Jones, president

Printing Papers Inc.
Little Rock, AR
Bing A. Priest, president

Quality Paper, Inc.
N. Billerica, MA
John Cappadona, CEO and president

Saafeld Paper Co.
Cincinnati, OH
Clem Saafeld, president

Silfen-Berman Paper Co. Inc.
Hicksville, NY
Norman D. Silfen, president

Sloan Paper Co.
Atlanta, GA
Coley Evans, Jr., president

Southern Paper Co.
Roanoke, VA
Bobby G. Hughes, president

Strauss Paper Co.
Portchester, NY
Ruth F. Strauss, president

Stan-Mar Packaging
St. Laurent, Quebec, Canada
Nek Tyansky, president

TEC Products Co., Inc.
Port Reading, NJ
David Holtzman, president

Thompson Merchandising and Supply
Seattle, WA
Dick Thompson

Tonkin Paper Inc.
Fitchberg, MA
Maurice Tonkin, president

U.S. Packaging
High Fort, NC
Mark C. Speckman, president

Industrial Paper Price Trends by Commodity

In the March 1986 issue of *MN*, Bureau of Labor Statistics price indices for various types of industrial and personal service paper were published. Price indexes were included up to November 1985. More current information is now available, and is presented in the table below, through August of 1986. Annual averages for 1984 and 1985 are also included. To calculate a year-to-year or month-to-month change in producer prices, simply divide the most recent index by the earlier one.

Industrial & Personal Service Paper Producer Price Index Trends By Select Commodity Grades

(Index Base 1967 = 100 Unless Otherwise Noted)

	End of Year:		End of Month: 1986		
	1984	1985	June	July	August
Type of Paper					
Total Industrial Paper (Converted Paper & Paperboard Products)	289.3	288.0	287.8	288.2	290.3
—Sanitary Tissue Health Products[1]	104.7	105.5	106.4	106.3	106.4
—Grocers' & Variety Bags (Paper)[2]	134.1	133.8	149.8	149.8	153.1
—Specialty Bags & Liners[2]	99.0	99.4	98.5	97.3	98.9
—Gummed Sealing Tape	277.8	277.4	279.1	277.5	277.2
—Envelopes[3]	—	99.6	101.1	101.3	101.0
—Rolls For Adding Machines & Other Business Machines	307.4	280.7	279.9	279.9	279.9
—Pressure Sensitive Products[4]	106.6	107.1	107.5	107.5	107.6

(1) 6/83 = 100 (2) 12/83 = 100 (3) 12/84 = 100 (4) 12/82 = 100

SOURCE: U.S. Dept. of Labor, Bureau of Labor Statistics, Producer Price Indexes.

a specialty in distribution—a first. The PAPER Foundation's Endowed Chair in Paper Wholesaling is the first piece of that concept. The idea of creating a discipline or Institute of Distribution Studies will benefit everyone.

Jay Church, chairman of the PAPER Foundation, recently said: "We are at the University of North Florida for a number of reasons. Their administration and faculty are committed to a successful Endowed Chair program. Within a few years, they will be a leading university in the teaching and understanding of distribution. You're going to hear from this university and it starts with us."

UNF offers nine different types of Bachelor degrees and 10 graduate degree programs. The faculty of 200 has a high precentage of PhDs among its ranks.

Located on over 1,000 acres of timberland on the outskirts of Jacksonville, UNF is a beautiful setting for the unique PAPER Foundation endowment. Jacksonville, called "The Bold New City of the South," is a major center for manufacturing, insurance, transportation and finance. In fact, Florida itself is considered the Growth Capital of America.

Support Needed

Although the pledge drive for the Endowed Chair Program is over, approximately $50,000 remains to be raised. The fulfillment of pledges has been slow, reports the Foundation, and they are having difficulty meeting their commitments. In order to finish up this work, the Foundation is asking members of NPTA to use the pledge cards enclosed in this issue of *MN* to complete the endowment. All contributions, the Foundation states, will be gratefully accepted.

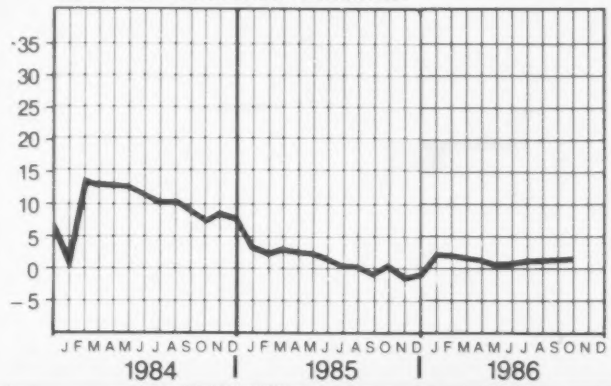
Summary National Trend Information: 1984 To Present

NOTE: *BEGINNING WITH THE JANUARY 1986 REPORT, STATISTICS WERE PRODUCED BY A NEW SYSTEM. THEREFORE, STRICT COMPARISONS TO PRIOR REPORTS SHOULD NOT BE MADE.*

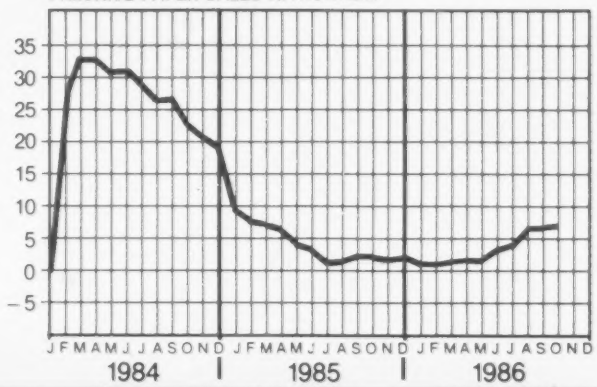
SALES INFORMATION

YEAR-TO-DATE SALES PER SELLING DAY AS A PERCENTAGE OF PREVIOUS YEAR'S YEAR-TO-DATE SALES PER SELLING DAY

INDUSTRIAL PAPER SALES NATIONALLY



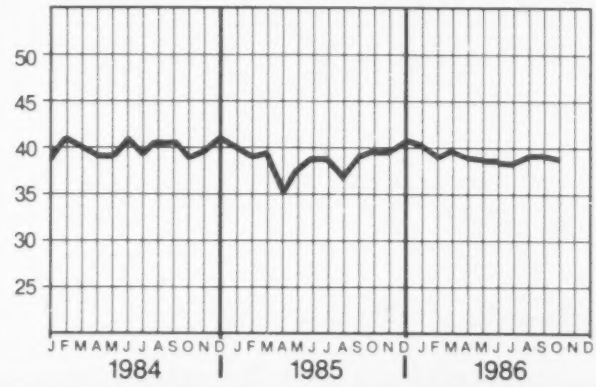
PRINTING PAPER SALES NATIONALLY



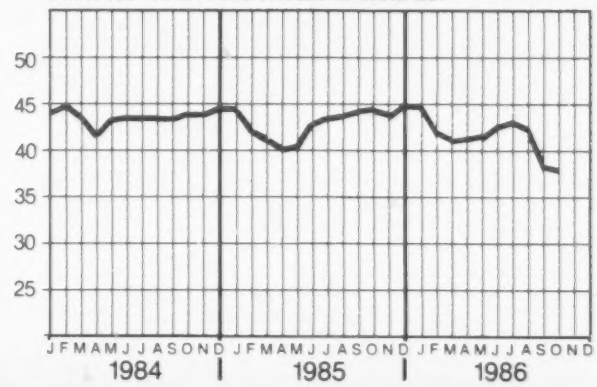
RECEIVABLES INFORMATION

DAYS OUTSTANDING—ACCOUNTS AND NOTES RECEIVABLE FROM PAPER SALES AT END OF EACH MONTH (IN CALENDAR DAYS)

INDUSTRIAL PAPER RECEIVABLES NATIONALLY



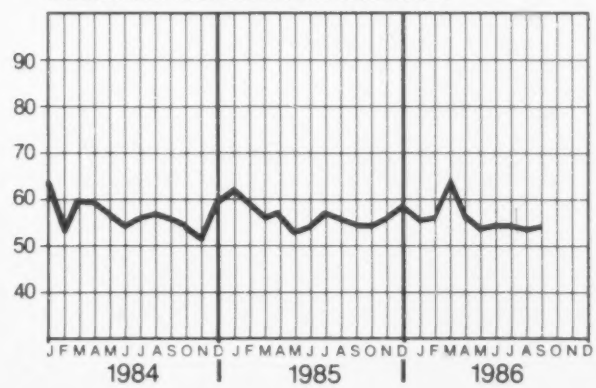
PRINTING PAPER RECEIVABLES NATIONALLY



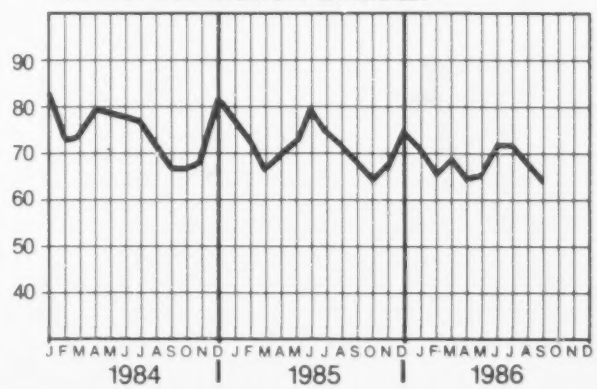
INVENTORY INFORMATION

CALENDAR DAYS COST OF ENDING MONTHLY INVENTORY (FIFO) (IN CALENDAR DAYS)

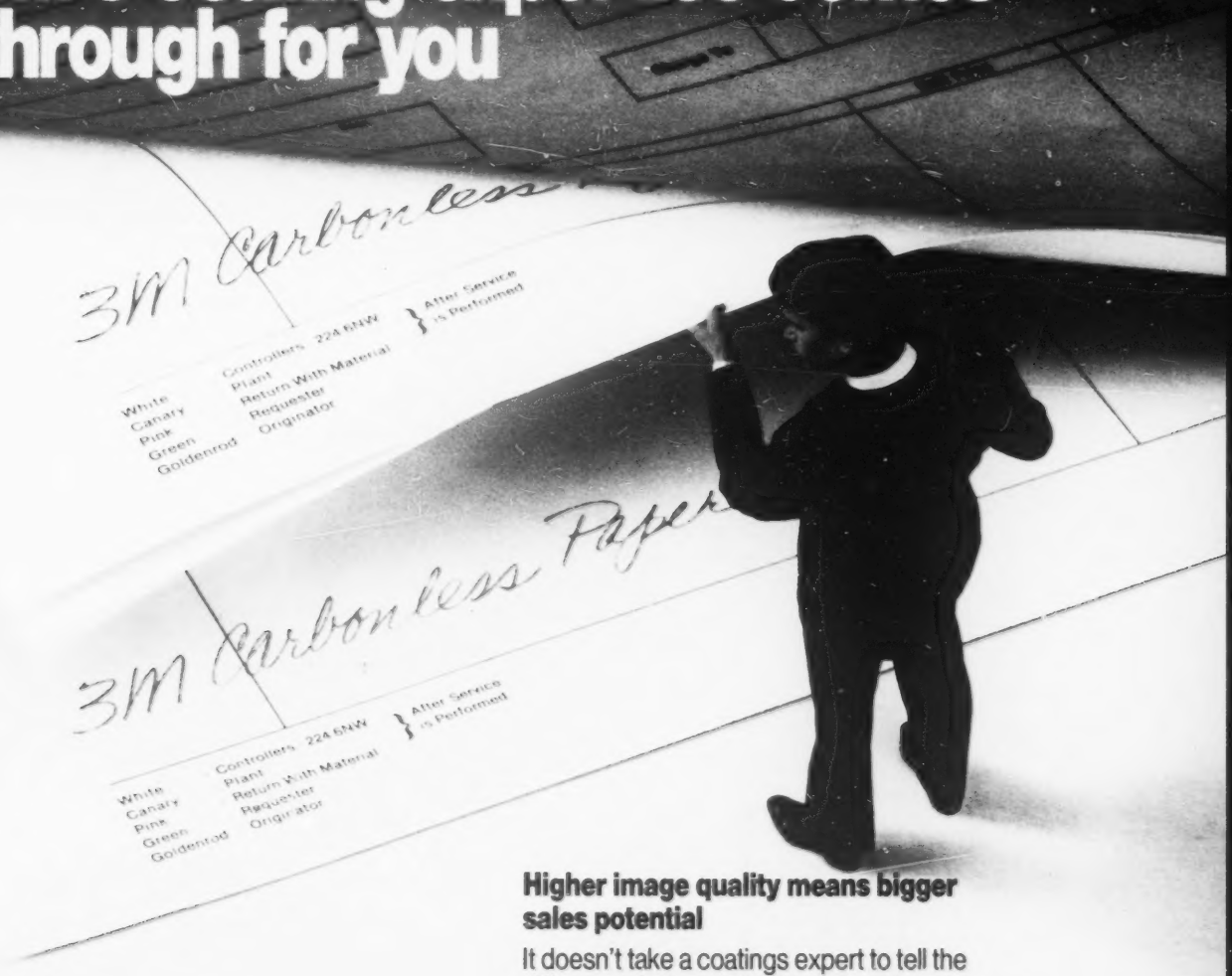
INDUSTRIAL PAPER INVENTORY NATIONALLY



PRINTING PAPER INVENTORY NATIONALLY



3M's coating expertise comes through for you



Higher image quality means bigger sales potential

It doesn't take a coatings expert to tell the difference between the image quality of carbonless papers. But it does take one to *make* the difference.

3M expertise has set the standards in adhesive tape products, in sandpapers, in videotapes, in a variety of products that require years of experience in coating technologies. This is why our carbonless papers provide consistently higher image sharpness for your printer's customers... and consistently strong repeat sales for you.

3M Carbonless Papers. A line that bears repeating. 3M Carbonless Products, Building 223-2S-05, 3M Center, St. Paul, MN 55144-1000. Telephone (612) 736-0456.

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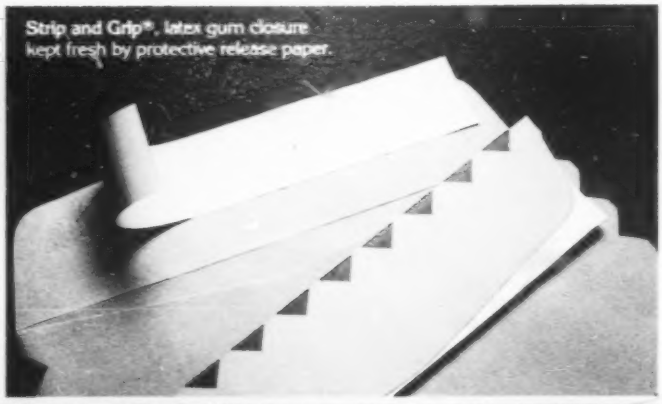
Your image deserves ours.

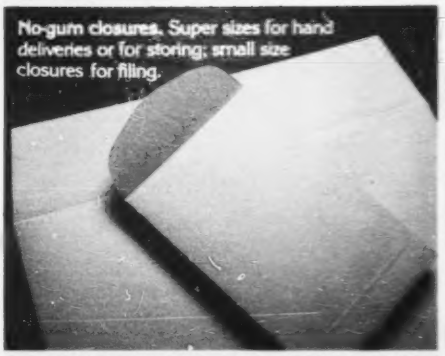
3M

Who but National Envelope offers you so many closures?

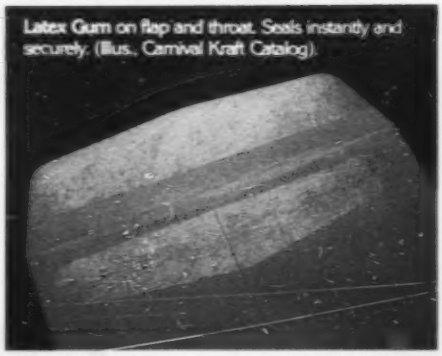
Reusable spot seal. It's **Tac-n-Tac™**, the innovative closure concept that speeds inter-office mail.



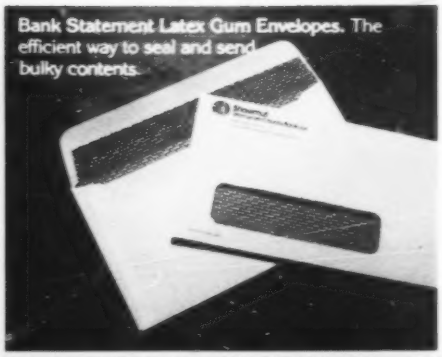
Strip and Grip®, latex gum closure kept fresh by protective release paper.



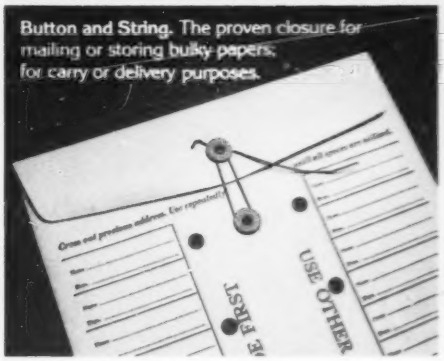
No-gum closures. Super sizes for hand deliveries or for storing; small size closures for filing.



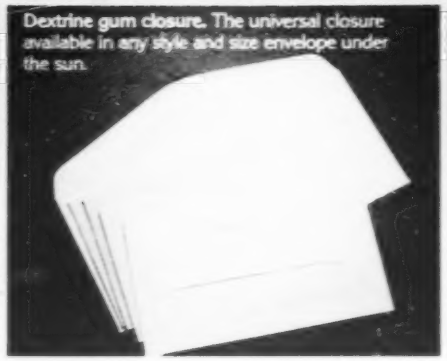
Latex Gum on flap and throat. Seals instantly and securely. (Illus., Carnival Kraft Catalog).



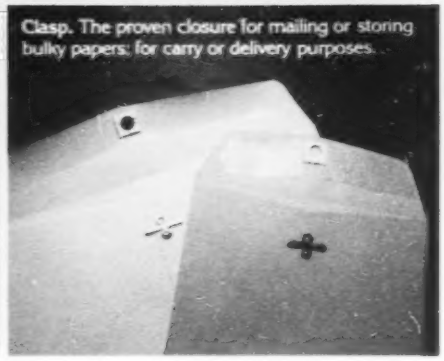
Bank Statement Latex Gum Envelopes. The efficient way to seal and send bulky contents.



Button and String. The proven closure for mailing or storing bulky papers; for carry or delivery purposes.



Dextrine gum closure. The universal closure available in any style and size envelope under the sun.



Clasp. The proven closure for mailing or storing bulky papers; for carry or delivery purposes.

Grow with National

The New York / National Envelope Group:

New York Envelope Corp., Long Island City, NY, 11101, 718 / 786-0300, 800 / 221-9551.
Envelope Convertors, Inc., Brooklyn, NY, 11237, 718 / 386-6000, 800 / 221-0605.
Champion Envelope Corp., Union, NJ, 07083, 201 / 353-8100, 800 / 526-6829.
National Envelope Corp., Worcester, MA, 01607, Box 1728, 617 / 798-8711.
Austell (Atlanta), GA, 30001, 404 / 944-3322, 800 / 241-8173.
Lenexa, KS, 66215, 913 / 888-3282, 800 / 255-6288.
Vinita Park (St. Louis), MO, 63114, 314 / 423-6700, 800 / 325-0002.